

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ending December 31, 2024

The City of Battle Ground, Washington • www.cityofbg.org

CITY OF BATTLE GROUND, WASHINGTON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

Prepared by the Department of Finance
109 SW 1st Street, Suite 217
Battle Ground, Washington 98604

City of Battle Ground
Annual Comprehensive Financial Report
For the Fiscal Year Ended December 31, 2024

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INTRODUCTORY SECTION

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City of Battle Ground

109 S.W. 1st Street, Suite 217 Battle Ground, WA. 98604
(360) 342-5000 Fax (360) 342-5029

June 23, 2025

To the Honorable Mayor, Members of Council, and Citizens of the City of Battle Ground:

We are pleased to submit the City of Battle Ground's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2024. The ACFR includes all city operations and activities for which the city is financially accountable. All the funds in this report pertain to the operations of the City of Battle Ground.

This report meets the requirements of RCW 43.09.230, which requires a financial report covering each fiscal year and is prepared in accordance with Generally Accepted Accounting Principles (GAAP). State law requires an annual audit of the city's financial statements and records by the Office of the Washington State Auditor. The State Auditor conducts its audit in accordance with Generally Accepted Auditing Standards (GAAS) as established by the American Institute of Certified Public Accountants (AICPA) and provides an independent opinion on the city's financial position, results of operations, and the cash flows of its proprietary fund types. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Battle Ground for the fiscal year ended December 31, 2024 are free of material misstatement.

The finance department is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the data as presented herein is accurate in all material respects and is reported in a manner designed to fairly state the financial position and the results of operations of the city's various funds. In addition, all disclosures necessary to enable the reader to gain an understanding of the city's financial activities are included.

City management is responsible for establishing and maintaining a structure of internal controls. Internal controls are designed to provide reasonable, but not absolute assurances, that assets of the city are protected from loss, theft, or misuse, and to ensure accounting records are adequate and reliable in order to prepare the financial statements. The concept of reasonable assurance recognizes the cost of control does not exceed the benefit and the evaluation of costs and benefits requires estimates and judgments by management.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The city's MD&A can be found immediately following the independent auditor's report.

Profile of the City

The City of Battle Ground is located just west of the Cascade Mountains in the center of Clark County, Washington. The predominant character of the city is residential but also serves as a significant commercial center for the surrounding area. The area was founded in 1855 and the city formally incorporated on June 18, 1951. The city changed from a mayor/council form of government to council/manager form of government following a vote of the public on November 5, 1996. The city operates as an optional code city under the Revised Code of Washington (RCW) Chapter 35A. Council members are elected to staggered four-year terms.

Biennially, at the first meeting of the new council, the members elect presiding officers to serve as mayor and as deputy mayor. City council is responsible for establishing policies, passing ordinances, adopting the budget, appointing committees, and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, managing the daily operations of the city, and appointing the directors of the city's departments as well as the deputy city manager.

The city provides a full range of municipal services including public safety (police protection and court services), parks and recreation, utilities, community planning and development, zoning, and general administrative services. In the area of utilities, the city provides water, sewer collections, and storm water drainage for its citizens. The city participates in regional sewer treatment through the Discovery Clean Water Alliance.

City council is required to adopt a final budget for the fiscal year no later than December 31 preceding the beginning of the fiscal year on January 1. The budget serves as the foundation for the city's financial planning and control. The budget is adopted for each of the city's funds at the fund level.

Local Economy

The City of Battle Ground has evolved from a small town to a major retail trade area for north Clark County. As a result, sales tax is the city's largest single source of revenue within its governmental funds. The city has six major retail and professional centers, Millcreek Town Center, Fred Meyer Complex, Battle Ground Plaza, Gardner Center, Battle Ground Market Center, and the Safeway complex. Battle Ground's sales activity has grown significantly in recent years. In 2024, the city experienced a decrease of 3.3 percent in its sales tax receipts to $7.1 million, after increases of 7.7 percent and 21.7 percent in 2022 and 2023, respectively. The decrease in sales tax is related to the construction industry and slightly less activity occurring in the City during the year. Retail trade did see a small increase of 2.5 percent from the prior year while construction saw a decrease of 4.9 percent from 2023.

The city's assessed valuation for its 2024 property tax levy was approximately $4.1 billion, a 10.0 percent increase over 2023. For 2025 tax collections, the assessed value is approximately $4.3 billion, an increase of 6.2 percent. This is due to overall assessed valuation increases as well as new construction added to property tax rolls of approximately $155.0 million. 2024 property tax revenue was $4.1 million.

The unemployment rate has continued to remain steady in the region, at the 4.6-4.3 percent over the last year. During the year the city continued to see development occur, at an increase from prior year. With home loan interest rates high, it has been a significant increase in the city's interest income.

The city received $5.9 million in American Recovery Plan Act funds to assist with long term recovery from the pandemic. City council has obligated the funds to water and sewer infrastructure projects promoting a long-term rate stabilization by paying for required infrastructure. During 2024, the city continued working on these projects, 1.46 MG Water reservoir, Well improvements, and Equalization Sewer Basin, total expended during 2024 was $2,093,136.

The 2024 population of approximately 22,470 in the City of Battle Ground increased at an annual rate of 2.6 percent. Currently, the residents of the city account for approximately 22.1 percent of its greater trade area of 101,461 and 4.2 percent of 536,300 residents county-wide. The City of Battle Ground is the third largest city in Clark County. Major employers in the area include retail, public education, transportation, health services, and the construction industry.

Using the United States Census Bureau's data for July 1, 2024, other comparative demographic data is below:

Demographic Indicator	City of Battle Ground	Clark County
% Bachelor's Degree or Higher (Adult Age 25+)	24.5%	33%
Owner % of All Households	71.3%	66.2%
Median Age of Population	32.4	38
Median Home	$452,000	$487,900

Long-term Financial Planning and Major Initiatives

Although growth has provided increased revenues to the general fund in recent years, the general fund is not immune from the impacts of what is commonly referred to as a "structural deficit" as revenues lag rising costs. Unfunded mandates from both the state and federal governments, ongoing impacts of voter initiatives, deferred maintenance, and increasing operational costs continue to contribute to this funding challenge. To address this funding challenge, in July of 2022, city council approved a 0.1 percent transportation sales tax to fund road preservation efforts in the city. The theory being share the road, share the load.

Over the last several years, the city has been able to increase its service levels in public safety, streets, and parks. These efforts were built upon the visioning process and what the citizens of Battle Ground deemed as important. In addition, ongoing council initiatives include providing a high level of public safety, using city resources efficiently to ensure long-term fiscal sustainability, replacing, and maintaining city assets and infrastructure, and adding technology and process efficiencies to improve workflow and sustain service delivery have remained high priorities to the city. During 2024, the city hired 2 new full time employee positions, building official and public work operations manager.

Community Vision and Engagement

In 2019, the City of Battle Ground and a group of community volunteers, *The Navigators*, embarked on a community-wide visioning process to chart the future of the city. Over 2,000 surveys were completed and returned to the city with community input on the desired future direction of the city. The visioning process continued in 2021 with work on the Land Use Management Plan and Transportation System Plan which were completed in 2021. The city continues to utilize "social media" for expanding community engagement and citizen communications. The city started work on its comprehensive plan

update during 2024 which will continue for a few years in partnership with Clark County and the other local jurisdictions under the growth management act.

Capital Program and Budget Forecasts
Since growth is projected to continue into 2024 and beyond, this growth requires extensive planning for infrastructure and services to support this anticipated growth. The city annually updates a six-year capital improvement program and six-year budget forecasts. The capital improvement planning document guides the ability to plan for capital needs and allocate short and long-term resources appropriately within the fiscal constraints of the six-year budget forecasts.

Utility Services
The city continues to formulate strategies to support planned and environmentally responsive growth and the demand for new or expanded utility services. Growth continues through infills, new development, and annexations. Internal utility rate studies were recently completed for water, sewer, and storm drainage to determine the appropriate rate based on future capital needs as well as inflationary adjustments for operations.

The city's partnership with the Discovery Clean Water Alliance (DCWA) for treatment of wastewater comes with large capital needs. The distance sewage must flow to get to the Salmon Creek Treatment Plant (SCTP) is 16.8 miles from the city's equalization basin which regulates and equalizes the flow from the city as it leaves for treatment. With the growing needs of the city and ever-changing regulations, challenges over the system continue. DCWA took over operating the SCTP from the County has found a large amount of deferred maintenance which are currently being addressed.

Relevant Financial Policies

The city has established financial management policies to ensure the city maintains a financial foundation into the future. These policies include:

- A six-year financial planning horizon to assess future potential challenges and opportunities
- Establishing and maintaining required reserves for contingencies
- Establishing and funding repair and replacement funds for vehicles and technology
- Maintaining manageable levels of debt while maintaining quality bond ratings; debt is not used for current operations
- Unexpected one-time revenues are used for one-time costs or reserves

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Battle Ground for its *Annual Comprehensive Financial Report (ACF*R) for the fiscal year ended December 31, 2023. The city has received a Certificate of Achievement for the last 21 years. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in

Financial Reporting program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the finance department. We wish to thank all city departments for their assistance in providing the data necessary to prepare this report. Further appreciation is extended to the mayor and the city council for their direction and support of sound fiscal management.

Respectfully submitted,

Meagan Lowery

Meagan Lowery, CGAP
Finance and Information Services Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

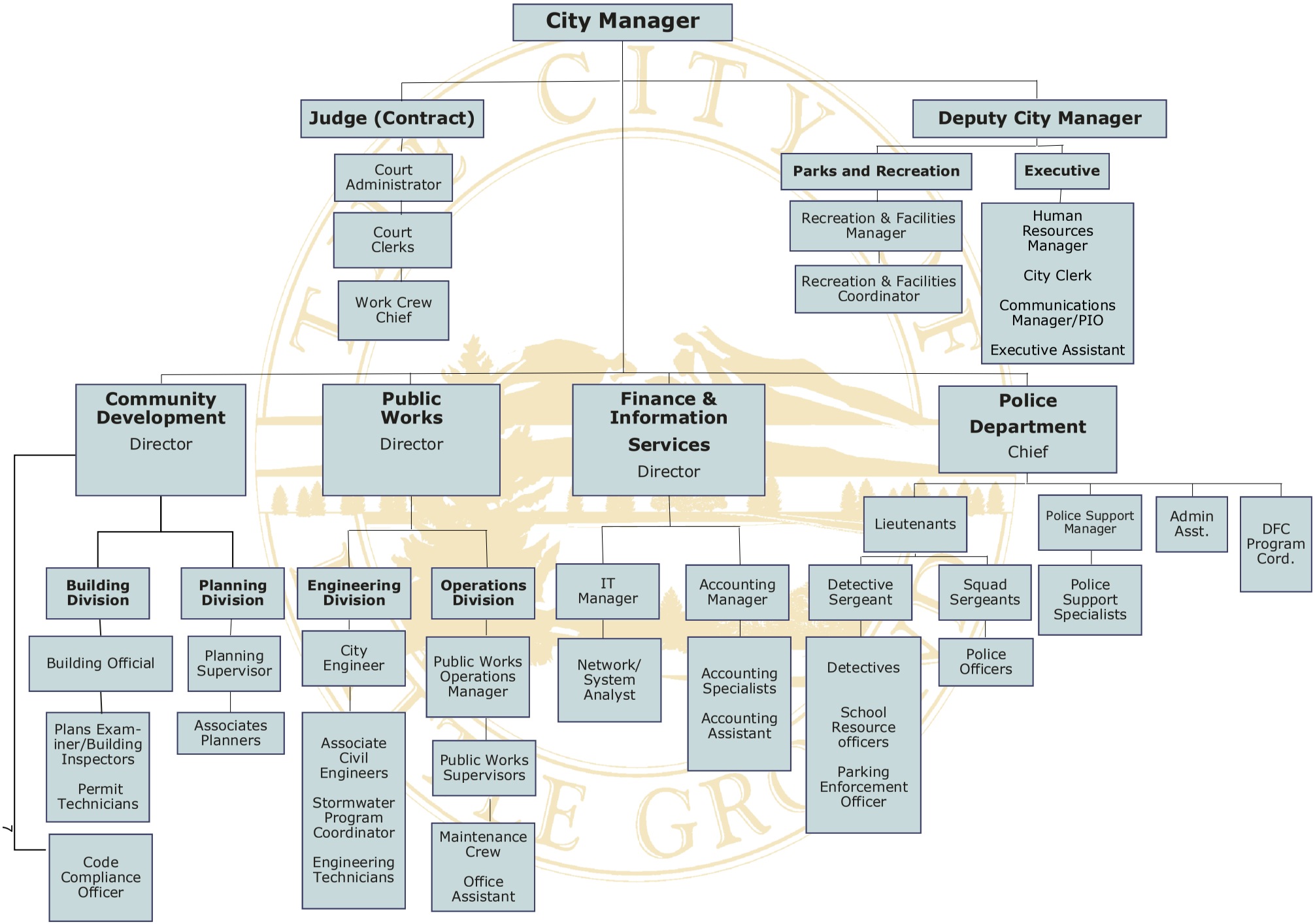
City of Battle Ground Washington

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO


City Manager
Judge (Contract)
Court Administrator
Court Clerks
Work Crew Chief
Deputy City Manager
Parks and Recreation
Recreation & Facilities Manager
Recreation & Facilities Coordinator
Executive
Human Resources Manager
City Clerk
Communications Manager/PIO
Executive Assistant
Community Development
Director
Public Works
Director
Finance & Information Services
Director
Police Department
Chief
Building Division
Building Official
Plans Examiner/Building Inspectors
Permit Technicians
Code Compliance Officer
Planning Division
Planning Supervisor
Associates Planners
Engineering Division
City Engineer
Associate Civil Engineers
Stormwater Program Coordinator
Engineering Technicians
Operations Division
Public Works Operations Manager
Public Works Supervisors
Maintenance Crew
Office Assistant
IT Manager
Network/ System Analyst
Accounting Manager
Accounting Specialists
Accounting Assistant
Lieutenants
Detective Sergeant
Detectives
School Resource officers
Parking Enforcement Officer
Squad Sergeants
Police Officers
Police Support Manager
Police Support Specialists
Admin Asst.
DFC Program Cord.

CITY OF BATTLE GROUND

List of Elected & Appointed Officials
As of December 31, 2024



Mayor
Troy McCoy



Deputy Mayor
Shane Bowman



Councilmember
Eric Overholser



Councilmember
Tricia Davis



Councilmember
Adrian Cortes



Councilmember
Cherish DesRoschers



Councilmember
Victoria Ferrer

APPOINTED OFFICIALS

CITY STAFF

City Manager
Kristina Swanson

Deputy City Manager
Robert Ferrier

Finance & Information Services Director
Meagan Lowery, CGAP

Chief of Police
Dennis Flynn

Public Works Director
Mark Herceg

Community Development Director
Kristin Lehto

FINANCIAL SECTION

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Office of the Washington State Auditor
Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

City Council
City of Battle Ground
Battle Ground, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Battle Ground as of and for the year then ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Battle Ground, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matters of Emphasis

As discussed in Note 22 to the financial statements, in 2024, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Nonmajor Combining and Individual Fund Statements and Schedules and Expenditures of Federal Awards section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy, State Auditor

Olympia, WA

June 23, 2025

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis (MD&A) is a narrative overview and analysis of the financial activities of the City of Battle Ground for the fiscal year ended December 31, 2024. This information should be read in conjunction with the basic financial statements and notes to the financial statements that follow. The discussion and analysis include comparative data for 2023.

2024 FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows by $237.9 million (*net position*), a $23.8 million, 11.1 percent, increase from 2023. Of the City's $237.9 million net position amount, $76.6 million represents unrestricted net position of which $27.2 million is unrestricted net position of the governmental activities and $49.4 million is unrestricted net position of the business-type activities. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

- Net investment in capital assets accounts for 59.2 percent of total net position, with a value of $141.0 million, an increase of $11.2 million over 2023.

- The City's total governmental funds reported combined ending fund balances of $44.9 million, an increase of $5.1 million over 2023. Of the total $16.7 million of restricted fund balance, $16.2 million is restricted for capital purposes. Remaining fund balances include $3.8 million assigned to LEOFF 1, parks, insurance reserve, economic stabilization, and streets; and $24.3 million is unassigned to the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the City's basic financial statements and is intended to assist users in interpreting the basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements present the City's financial condition in a manner similar to private sector statements. These statements distinguish functions of the City that are primarily supported by taxes and intergovernmental revenues ("governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges ("business-type activities").

Governmental activities of the City include a full range of local government services provided to the public, such as law enforcement and public safety, road construction and maintenance, community planning and development, parks and recreation facilities, and other community services. These activities are primarily supported by taxes, licenses and permits, fines and forfeitures, and charges for general governmental services.

Business-type activities of the City are mainly supported by user fees and charges. The business-type activities of the City include storm water drainage, water, and sewer utilities and internal services for fleet administration and technology.

Statement of Net Position

This statement presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City is improving or deteriorating.

Statement of Activities

This statement presents information designed on how the City's net position changed during the fiscal year. This statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. Revenue generated by the specific functions (charges for services, grants, and contributions) is compared to expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources for support. All changes in net position are reported using the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of the timing of related cash flows. Items such as, but not limited to, uncollected taxes, unpaid vendor invoices for goods or services received during the year and earned but unused vacation leave are included in the statement of activities as revenue and expenses, even though no cash has changed hands.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. Funds are often set up in accordance with special regulations, restrictions, or limitations. The City, like other state and local governments, uses fund accounting to ensure and show compliance with finance-related legal requirements. All the City's funds are divided into three categories: governmental funds, proprietary funds, or fiduciary funds.

Governmental Funds

Governmental funds represent most of the City's basic services such as public safety, parks, streets and many other general administrative type services. The City maintains fourteen individual governmental funds. The general fund is a major fund and, for reporting purposes, includes the general, parks, insurance reserve, LEOFF I, fire impact fees, and economic stabilization funds. Major funds for the City include the real estate excise tax fund, street fund, and capital projects fund. Financial data for the remaining governmental funds are combined into a single, aggregated presentation. These other nonmajor governmental funds include special revenue funds, capital project funds, and debt service fund.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at year end. Such information is useful in evaluating a government's near-term financing requirements in comparison to resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. This gives readers a better understanding of the long-term impact of the government's financing decisions. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to the governmental activities column in the government-wide statements, facilitating this comparison.

The City maintains budgetary controls over its operating funds through council adoption of the budget. Budgets are adopted at the fund level for all funds in accordance with state law. Budgetary comparison schedules are presented in this report following the combining statements of other governmental funds.

Proprietary Funds

Proprietary funds account for business-type activities. Business-type activities provide specific goods or services to a group of customers paid for by fees charged to those customers. The City has two types of proprietary fund: enterprise funds and internal service funds. Enterprise funds account for goods and services provided to citizens

and the community. Internal service funds account for goods and services provided internally to various City departments. The same basis of accounting is used for proprietary funds in both the government-wide statements and the individual fund statements.

Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements. Fund statements provide more detail than is reported in the government-wide statements. The City uses enterprise funds to account for storm drainage, water, and sewer utilities.

Internal service funds report activities that provide supplies and services for City programs. Internal service funds account for fleet administration and technology. Given that these services benefit governmental operations more than business-type functions, internal service funds are included within governmental activities in the government-wide financial statements.

Fiduciary Fund

Fiduciary funds account for financial transactions which are not derived from the City's own source revenues and the City does not have administrative involvement. The Fiduciary Fund for the City accounts for the City's court remittances to the Washington State Administrative Office of the Courts and Clark County. It also accounts for the funds for the Washington State Department of Revenue and Department of Licensing, leasehold excise tax on property rentals, use tax on invoices in which sales tax was not charged, state building code fees, and state gun permit fees for concealed weapon licenses.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are located immediately following the basic financial statements.

Other Information

This report also presents certain required supplementary information regarding pension related data and postemployment medical benefits to uniformed personnel hired before October 1, 1977. Required supplementary information is located immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The *Statement of Net Position* can serve as a useful indicator of the City's financial position. The City's total net position was $237.9 million at December 31, 2024 as compared to $214.1 million at December 31, 2023. The following is a condensed version of the *Government-wide Statement of Net Position*.

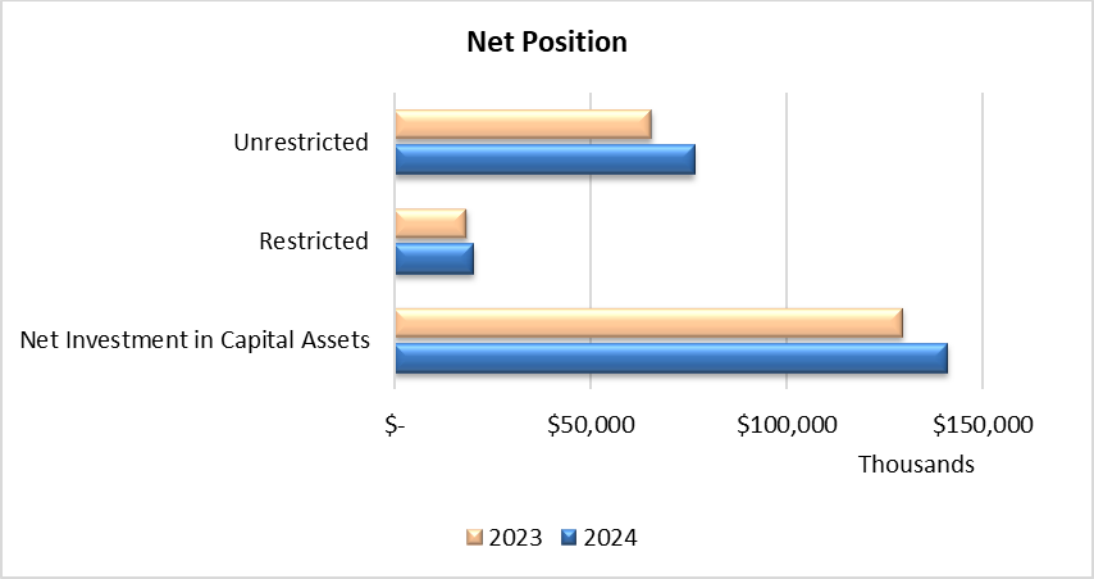
Net position						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 55,292,036	$ 52,780,691	50,913,205	43,024,436	$ 106,205,241	$ 95,805,127
Capital assets (net of depr)	75,675,945	69,371,651	75,450,832	70,744,208	151,126,777	140,115,859
Total assets	130,967,981	122,152,342	126,364,037	113,768,644	257,332,018	235,920,986
Deferred Outflow of Resources	3,115,279	2,231,760	488,199	456,493	3,603,478	2,688,253
Liabilities						
Current and other liabilities	8,303,064	9,449,845	2,279,025	981,616	10,582,089	10,431,461
Noncurrent	4,767,366	5,306,095	6,402,091	7,079,241	11,169,457	12,385,336
Total liabilities	13,070,430	14,755,940	8,681,116	8,060,857	21,751,546	22,816,797
Deferred Inflow of Resources	1,147,863	1,503,861	115,874	215,071	1,263,737	1,718,932
Net position						
Net investment in capital assets	72,975,678	66,590,645	68,054,893	63,237,469	141,030,571	129,828,114
Restricted	19,695,941	17,973,920	552,512	690,674	20,248,453	18,664,594
Unrestricted	27,193,348	23,559,736	49,447,841	42,021,066	76,641,189	65,580,802
Total net position	$119,864,967	$108,124,301	$118,055,246	$105,949,209	$ 237,920,213	$ 214,073,510

The largest portion of the City's net position is its net investment in capital assets. This category makes up 59.2 percent of the City's total net position and though the City uses these capital assets to provide services to its citizens, these assets are not available for future spending.

Restricted net position makes up 8.5 percent of the total net position and represents the resources that are subject to external restrictions on how they may be used. These restrictions include debt covenants, enabling legislation, grant requirements, or other legal or contractual reason which imposes a limit on the use of the assets which is outside the control of the City.

The remaining balance of $76.6 million is unrestricted and may be used to meet the City's ongoing obligations to its citizens and creditors. Although this amount is unrestricted, a significant portion has been reserved or set aside for various purposes. The increase of $11.1 million in unrestricted fund balance comes from $4.5 million in unrestricted investment earnings; increase of $1.8 million in governmental charges for services; utility rate increases approximately $771,000; the remaining increase is the $2.0 million in operating grants and contributions as well as $17.4 million in capital grants and contributions that paid for operations and capital expenses that otherwise would have been the City's own local revenue.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

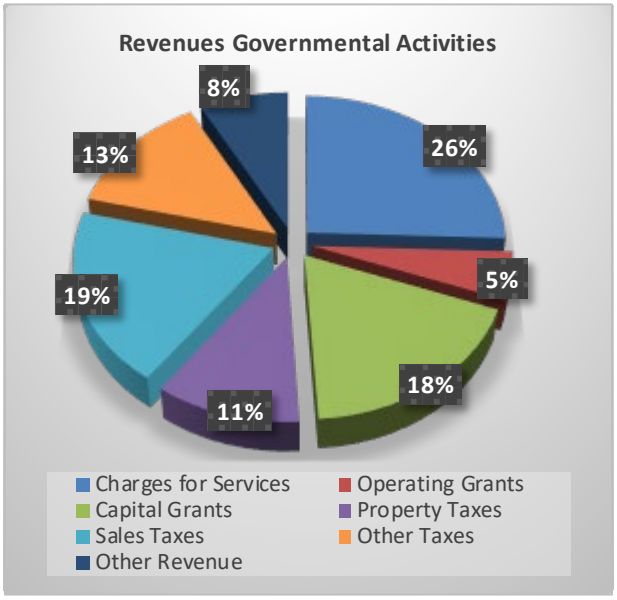


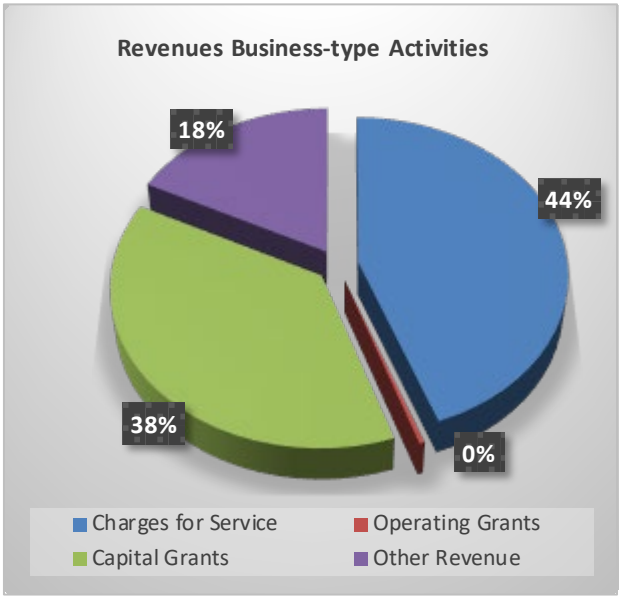
Statement of Activities

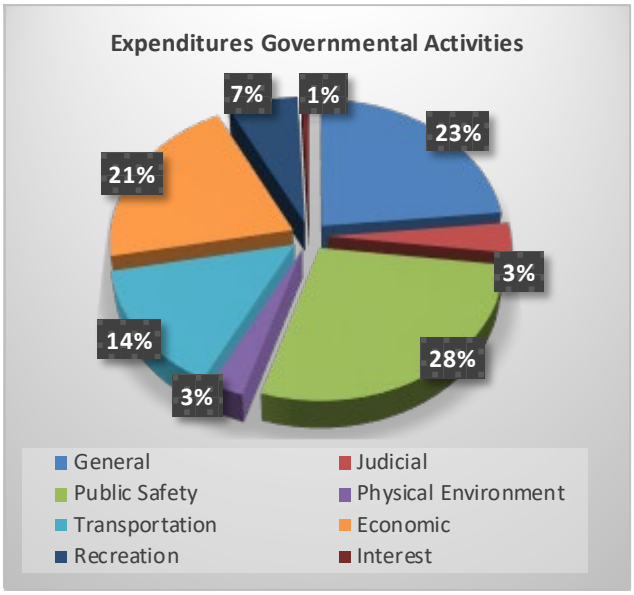
The *Statement of Activities* reports the change in net position for the fiscal year. At December 31, 2024, total ending net position increased by $23.8 million, or 11.1 percent. Business-type funds increased by $12.1 million, or 11.4 percent, primarily due to infrastructure contributions by developers. Net position of governmental activities increased by $11.7 million, or 10.9 percent, due to federal/state capital grant funding, building activity remaining strong, and expenditures coming under budget across all funds.

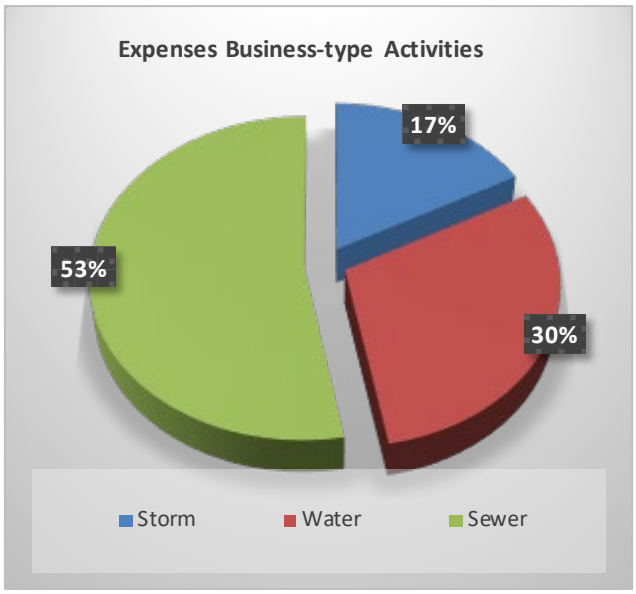
The full statement is a tabular depiction of the relationship of revenues and expenses for the City's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental versus business type expenses for 2024.

Statement of Activities						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues						
Charges for Services	$ 9,640,794	$ 7,875,522	$ 12,346,119	$ 11,575,598	$ 21,986,913	$ 19,451,120
Operating Grants	1,930,051	1,987,677	109,089	31,429	2,039,140	2,019,106
Capital Grants	6,911,797	11,705,809	10,547,552	11,438,128	17,459,349	23,143,937
General Revenue						
Property Taxes	4,119,354	3,933,687	-		4,119,354	3,933,687
Sales Taxes	7,126,007	7,366,483	-		7,126,007	7,366,483
Other Taxes	5,023,127	4,593,231	-		5,023,127	4,593,231
Interest Income	2,287,715	1,815,514	2,209,165	1,766,664	4,496,880	3,582,178
Other Revenues	651,060	524,014	4,988	346,753	656,048	870,767
Transfers	-	-	2,093,136	349,909	2,093,136	349,909
Total Revenues	37,689,905	39,801,937	27,310,049	25,508,481	64,999,954	65,310,418
Expenses						
General Government	3,937,553	2,763,706	-	-	3,937,553	2,763,706
Judicial	903,485	860,630	-	-	903,485	860,630
Public Safety	7,184,633	5,954,634	-	-	7,184,633	5,954,634
Physical Environment	697,684	483,629	-	-	697,684	483,629
Transportation	3,732,077	5,433,648	-	-	3,732,077	5,433,648
Economic Environment	5,305,097	3,819,490	-	-	5,305,097	3,819,490
Culture and Recreation	1,720,145	1,544,414	-	-	1,720,145	1,544,414
Storm Drainage	-	-	2,530,491	2,100,967	2,530,491	2,100,967
Water	-	-	4,507,703	4,861,822	4,507,703	4,861,822
Sewer	-	-	8,137,188	7,967,684	8,137,188	7,967,684
Interest Expense	185,380	205,009	-	-	185,380	205,009
Transfers	2,093,136	349,909	-	-	2,093,136	349,909
Total Expenses	25,759,190	21,415,069	15,175,382	14,930,473	40,934,572	36,345,542
Change in Net Position	11,930,715	18,386,868	12,134,667	10,578,008	24,065,382	28,964,876
Net Position - beginning	108,124,301	89,737,433	105,949,209	95,371,201	214,073,510	185,108,634
Change in accounting principle	(190,049)	-	(28,630)	-	(218,679)	-
Net Position - ending	$119,864,967	$108,124,301	$118,055,246	$105,949,209	$ 237,920,213	$ 214,073,510









Governmental Activity Analysis

Taxes are the main source of revenue that support governmental activities. The three major tax sources are property tax, sales and use tax, and utility taxes.

Property tax is a fairly stable source of revenue for the City. However, property tax growth is dependent upon new construction and annexations since Initiative 747 limits tax increases to the lesser of the implicit price deflator or one percent. The City's property tax rate decreased slightly from $1.07 (2023) to $1.02 (2024) of assessed valuations due to increasing assessed valuations, 10.0 percent increase from 2023 to 2024. The tax levy for 2024 tax collections increased $185,667 over the 2023 levy primarily due to new construction, $146,543. Remaining increase is due to the City Council taking the full 1 percent allowed. 2024 property tax collections were $4,119,354.

The sales tax rate in the City is 8.6 percent on all retail sales. Total retail sales and use tax collected decreased 3.3 percent in 2024 in comparison to 2023 due to a decline in construction in the City. In 2024, sales and use tax revenue was $7,126,007.

Utility taxes may be levied on the gross operating revenues earned by public and private utilities from operations within the City limits. Legislation limits the tax rate that the City may impose on gas, electric, and telephone utilities to six percent unless a vote of the people authorizes a higher rate. There are no restrictions on the tax rates for water, sewer, and storm water utilities. The 2024 City utility tax rate was 12 percent. These "other taxes" generated $3,404,062 of revenue.

Revenues tied to residential development and home purchases saw an increase in 2024. Fees for building permits, building plan checks, right of way permits, and zoning and subdivision services were $2.6 million as compared to $1.9 million in 2023. Real estate excise tax saw an increase with the change in the economy in 2024 compared to 2023, $1.6 million compared to $1.4 million respectively.

Governmental activities expenses increased $4,344,121 (20.3%) over 2023. The City had increases in expenses due to collective bargaining agreements with built-in salary and benefit adjustments, costs of providing health care, increases in retirement costs, and inflationary increases tied to maintaining current service levels. The City also added two new positions in 2024. In addition the City had $2.1 million in transfers to the water and sewer funds for the American Rescue Plan Act funded capital projects.

Business-Type Activities Analysis

The financial position of the City's business-type funds consists of the storm drainage, water, and sewer funds. Charges for services are the main source of revenue for these business-type activities. Total business-type charges for service revenues increased $770,521 (6.7%) over 2023. This was primarily due to the number of customers increasing from new customers due to development as well as rate increases for current customers. Rates are indexed per recommendations from internal utility rate studies to determine the appropriate rate based on future capital needs as well as inflationary adjustments for operations.

- The storm drainage fund had an overall increase in net position of $1.2 million (5.6%) primarily due to new development capital contributions, rate increase, and new accounts due to development.

- The water fund had an overall increase in net position of $3.7 million (11.5%) primarily due to rate increase and new development capital contributions.

- The sewer fund had an overall increase in net position of $6.6 million (13.0%) primarily due to rate increase, new development capital contributions and new accounts due to development.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

As noted earlier, the City of Battle Ground uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of the City's net resources available for discretionary use as these resources represent the portion of fund balance which has not yet been limited as to use for a

particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for specific purposes by City council.

At December 31, 2024, the City's governmental funds reported combined fund balances of $44.9 million, an increase of $5.1 million over 2023. $24.3 million of this amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is either: restricted for specific purposes in the amount of $16.7 million; or assigned for specific purposes in the amount of $3.8 million.

The general fund is the chief operating fund of the City. At the end of the fiscal year, unassigned fund balance of the general fund was $24,328,170, while total governmental fund balance increased to $44,855,545. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures. Unassigned fund balance represents approximately 111.4% of total general fund expenditures, while total fund balance represents approximately 123.2% of that same amount.

Statement of Governmental Fund Balances

	2024	2023	$ Change
General Fund			
Restricted	206,675	33,553	173,122
Committed	-	-	-
Assigned	2,364,087	2,231,971	132,116
Unassigned	24,328,170	22,408,091	1,920,079
Total General Fund	$ 26,898,932	$ 24,673,615	$ 2,225,317
All Other Governmental Funds			
Restricted	16,474,997	14,216,776	2,258,221
Assigned	1,481,616	896,188	585,428
Unassigned	-	(1,596)	1,596
Total All Other Governmental Funds	$ 17,956,613	$ 15,111,368	$ 2,845,245
Total Governmental Fund Balance	$ 44,855,545	$ 39,784,983	$ 5,070,562

The $5.1 million increase to the governmental fund balance is due to several factors. Of this increase, $1.4 million, 27.3 percent of fund balance increase, comes from real estate excise tax collections exceeding use of the restricted funds. Park and transportation impact fees collected exceeded use of the restricted source by $903,254, 17.8 percent of fund balance increase. Interest earnings for all governmental funds brought in $2.2 million, 43.3 percent of the fund balance increase, which was not anticipated for 2024 due to the high interest earning rates.

For the General Fund, the increase of $2.2 million from 2023 is due to development activity exceeding expectations by $1.0 million, 43.1 percent of the fund balance increase. Interest earnings exceeded expectations by $1.0 million, 44.7 percent of the fund balance increase. Utility tax for natural gas also exceeded expectations by $425,201 due to when the City received its 2023 revenue from the gas provider and higher usage of natural gas in the City. General Fund expenses were $21.8 million compared to $16.6 million in 2023, 31.3 percent increase. Of this increase $1.5 million, 28.8 percent, is for an increase in general government services related to increased insurance cost, increased software costs, and carpeting and painting City Hall. Another factor was an increase of $1.7 million, 33.5 percent, for security of person and property (police services) related to purchase of body worn cameras, tasers, and police vehicles. Economic environment was $1.5 million of the increase, 28.3 percent, this is due to impact fees collected for the school and fire district, addition of a full time building

official, and several comprehensive plans for the City such an Old Town Master Plan, Climate Action Plan, Comprehensive Plan, and Middle Housing.

Real Estate Excise Tax Fund saw an increase in total tax collected from home sales bringing in $1.6 million compared to $1.4 million in 2023. In addition, interest collected in 2024 was $133,457 higher than 2023. These funds are used to support City capital projects and total transfers out to the Capital Project Fund were $691,500 to pay for the City's HVAC replacement projects at the police station and Community Center.

The Street Fund is supported heavily by the General Fund with a transfer of $2.4 million to support operations and the pavement preservation program. The City also collects a Transportation Benefit District sales tax of .1% which brought in revenues of $657,421 which is a decrease from 2023 of 3.5 percent. Total expenses for the Street Fund were $3.3 million compared to $3.2 million in 2023. The increase is due to increased personnel expenses.

The Capital Project Fund is where the City tracks its governmental capital projects for governmental activities. Projects are funded by state and federal grants (intergovernmental) in addition to local funds such as impact fees and the general fund. The City expended $3.5 million for multiple capital projects as compared to $5.6 million in 2023. These projects were funded 41.3 percent by intergovernmental revenues and 58.7 percent local funds.

Business-Type Funds Analysis

The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements for business-type activities, although in more detail. Internal service funds, although proprietary, are not included within business-type activities.

Proprietary funds are those funds that account for government operations where the intent is for the costs to be primarily paid for by user charges. Enterprise funds are those funds that provide services primarily to external users, and internal service funds provide their services primarily within the City, or to other governmental units. The City has three business-type funds, all of which are enterprise funds.

The water fund and the sewer fund are the two largest enterprise funds of the City. The water fund accounts for 30.7%, the sewer fund 49.2%, and the storm drainage fund 20.1% of the total net position for enterprise funds. The water fund had total net position at year-end of $35.7 million, the sewer fund $57.3 million, and the storm drainage fund $23.4 million. The utility funds each showed an operating loss, primarily for depreciation expense. After capital contributions and interest earnings, the storm drainage, sewer, and water funds reported an increase in net position.

Total water fund operating revenues for 2024 were $3.8 million which is an increase of $96,423 from 2023. Total operating expenses were $4.7 million as compared to $4.8 million in 2023. This decrease is primarily due to an increase in the amount of water purchased for distribution.

Total sewer fund operating revenues for 2024 were $6.6 million as compared to $6.0 million in 2023, an increase of $569,012. The increase is due to rate increase as well as new customers as new homes are built in the City. Total operating expenses were $8.2 million as compared to $7.8 million in 2023. This increase is primarily due to an increase to cost allocation increase to the general fund and increased personnel expenses.

Total storm drainage operating revenues for 2024 were $2.0 million which was a $105,086 increase from 2023. The increase is due to rate increase as well as new customers as new homes are built in the City. Total operating expenses were $2.7 million for 2024 as compared to $2.1 million in 2023. This increase is due to increased personnel expenses, storm drainage master plan, along with an increase to cost allocation to the general fund.

Statement of Proprietary Fund Net Position								
	Business-type Activities Enterprise Funds						Governmental Activities	
	Storm Drainage		Water		Sewer		Internal Service	
	2024	2023	2024	2023	2024	2023	2024	2023
Net Position								
Net Investment in Capital Assets	18,820,207	17,764,947	20,794,163	18,416,252	28,440,523	27,056,270	1,813,040	891,860
Restricted (Pension)	88,581	139,275	94,337	148,718	71,816	104,903	-	-
Restricted (Debt Service)	-	-	-	-	297,778	297,778	-	-
Unrestricted	4,447,786	4,215,435	14,826,273	13,455,930	28,462,395	23,224,782	1,881,047	1,227,209
Total Net Position	$ 23,356,574	$ 22,119,657	$ 35,714,773	$ 32,020,900	$ 57,272,512	$ 50,683,733	$ 3,694,087	$ 2,119,069

GENERAL FUND BUDGETARY HIGHLIGHTS

The City appropriated funds through the adoption of the 2024 annual budget. Budget amendments are made throughout each year of the annual budget as needed and approved by ordinance action by City council. The following table shows the changes between the original and the final biennial general fund budget (does not include parks and reserve funds), and the variances between the final budget to actual revenues and expenditures:

	Original 2024 budget	Final 2024 Budget	Change Increase (Decrease)	Actual at 12/31/2024	Variance Positive (Negative)	Percentage of Actual to Budget
Revenues:						
Taxes	$ 13,556,658	$ 13,556,658	$ -	$ 14,233,481	$ 676,823	105%
License and permits	1,487,325	1,487,325	-	2,548,360	1,061,035	171%
Intergovernmental	7,063,866	7,163,866	100,000	3,810,490	(3,353,376)	53%
Charges for services	4,513,963	4,513,963	-	6,100,172	1,586,209	135%
Other revenues	558,206	558,206	-	1,693,344	1,135,138	303%
Total revenues	27,180,018	27,280,018	100,000	28,385,847	1,105,829	104%
Expenditures:						
General government	5,404,756	6,265,176	860,420	5,365,644	899,532	86%
Judicial	872,196	956,013	83,817	928,512	27,501	97%
Security/Persons and property	7,375,545	8,120,545	745,000	7,703,304	417,241	95%
Physical Environment	989,768	1,018,768	29,000	723,225	295,543	71%
Economic Environment	4,153,458	5,545,426	1,391,968	5,289,327	256,099	95%
All other expenditures	10,418,340	9,991,963	(426,377)	6,282,634	3,709,329	63%
Total Expenditures	29,214,063	31,897,891	2,683,828	26,292,646	5,605,245	82%

Increases in appropriations were related to police vehicles, police equipment, Kiwanis park improvements, and climate action plan.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, including construction in progress, totals $151.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, infrastructural improvements, intangible assets, machinery and equipment, park facilities, and construction in progress. Capital assets are affected by various additions and deletions, and by depreciation. Additions are from the purchase and/or construction of capital assets, current year work in process expenses, or from developer contributions. Deletions are from the sale or loss of a capital asset. The table below reflects an increase in net capital assets of $11,602,982 million in 2024.

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2023	2024	2023	2024	2023
Land	$ 16,204,607	$ 16,015,549	$ 4,778,681	$ 4,798,109	$ 20,983,288	$ 20,813,658
Construction in progress	6,519,873	3,746,787	4,075,084	1,649,079	10,594,957	5,395,866
Buildings	8,434,581	8,876,308	1,205,629	1,179,659	9,640,210	10,055,967
Machinery and equipment	2,554,948	1,297,120	355,845	298,308	2,910,793	1,595,428
Infrastructure	41,421,729	38,797,943	61,650,081	57,712,013	103,071,810	96,509,956
Improvements other than buildings	488,905	561,938	16,442	18,086	505,347	580,024
Intangible assets	51,302	76,006	3,369,070	4,496,890	3,420,372	4,572,896
Total	$ 75,675,945	$ 69,371,651	$ 75,450,832	$ 70,152,144	$ 151,126,777	$ 139,523,795

Major capital events during the 2024 fiscal year included the following:

- Replacement of police and public works vehicles
- Replacement of HVAC for the police station
- Security camera projects at the police department and skate park
- Portable police radios – funded with federal grant funds
- Captain Strong/Chief Umtuch School Zone safety upgrades
- 2024 waterline replacement
- Sewer Equalization Basin
- Holiday Banner poles
- Park play structures

Additional information on the City's capital assets is located in Note 4 in the notes to the financial statement in this report.

Long-term Debt

At December 31, 2024, the City had total long-term debt outstanding of $8,761,864. Of this amount, $2,360,000 is general obligation debt. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City's remaining capacity for non-voted long-term general obligation debt is approximately $58.1 million. Standard and Poor's increased the City's rating to "AA" for its general obligation debt in October 2021 citing strong budgetary flexibility and management.

At December 31, 2024 there were outstanding USDA sewer revenue bonds of $4,925,145 and water revenue bonds of $1,392,758 were also outstanding at year end.

The table below is a comparison of the summary for outstanding debt at December 31, 2023 and 2024.

Outstanding Debt

	Governmental Activities		Business-Type Activies		Total Activities	
	2024	2023	2024	2023	2024	2023
General obligation bonds	$ 2,360,000	$ 2,705,000	$ -	$ -	$ 2,360,000	$ 2,705,000
Government loans	-	-	-	-	-	-
Revenue bonds	-	-	6,317,904	6,866,329	6,317,904	6,866,329
Leases	34,198	47,617	-	-	34,198	47,617
SBITA	17,104	28,389	32,658	48,346	49,762	76,735
Total	$ 2,411,302	$ 2,781,006	$ 6,350,562	$ 6,914,675	$ 8,761,864	$ 9,695,681

Additional information on the City's long-term debt is located in Note 8 in the notes to the financial statement in this report.

ECONOMIC OUTLOOK AND FUTURE CONDITIONS

The City serves City residents as well as a greater trade area of about 101,461 people. For the period 2015-2024, the population of Battle Ground increased 16.7 percent, from 19,250 to 22,470 citizens. Residential and commercial development saw a slight increase in 2024, higher than anticipated with the national economic outlook with higher mortgage interest rates. With the higher mortgage rates comes higher interest earnings rates for the City's investments. In 2024 the City saw record high interest rates as high as 5.4%. As the City moves forward, it is challenged to be fiscally sustainable to offer a level of service sufficient to address the rising population. This includes road preservation, public safety, aging infrastructure, utility capaCity requirements, as well as recreational opportunities. To address these challenges, the City initiated an on-going visioning process involving community engagement several years ago to be strategic in the future to address the needs of the City.

The City's adopted financial policies continue to guide financial operations and the 2024 budget process. With a backlog of deferred maintenance, compliance with constantly changing statewide legislative and regulatory mandates, and increased operational costs, a shorter budget cycle and longer planning horizon provides a better opportunity for focusing on core services identified by City council and responding to market and economic factors. The 2024 budget reflected a conservative outlook due to regional national economic concerns due to the 2020 pandemic. Retail sales have continued to grow as consumers changed their shopping habits, opting to have food and items shipped to their home.

On July 18, 2023, City Council adopted an ordinance for a one-tenth of one percent (0.1%) sales and use tax to fund the Battle Ground Transportation Benefit District (TBD). The sales and use tax took effect on January 1, 2024. This sales tax enabled the City to continue to fund the City's road preservation efforts by Battle Ground citizens sharing the costs with customers coming into Battle Ground to shop and drive on the roads. This revenue stream brought in $657,421 in 2024 to help fund the City's $1.6 million pavement preservation program. The remaining funds came from the City's general fund, $693,804, and a state grant, $273,544.

Due to the continued development within the City of residential and commercial properties, the City is projecting an increase in property tax base and sales and use tax revenues to remain strong.

The City has made increasing efforts to find opportunities for cost savings, has maintained conservation and sustainability initiatives, has leveraged partnerships with other agencies, and has invested in technology to improve delivery of core services.

Requests for Information

This financial report provides a general overview of City of Battle Ground's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, address to the Finance Department, City of Battle Ground, 109 SW 1st Street, Suite 217, Battle Ground, WA, 98604.

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BASIC FINANCIAL STATEMENTS

CITY OF BATTLE GROUND
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-type Activities	Total Primary Government
Assets			
Cash and Cash Equivalents	$ 27,343,449	$ 40,665,288	$ 68,008,737
Investments	2,515,742	4,783,082	7,298,824
Receivables	3,820,554	2,608,872	6,429,426
Internal Balances	(1,711,387)	1,711,387	-
Restricted Assets			
Cash and Cash Equivalents	18,273,484	297,778	18,571,262
Investments	1,740,337	-	1,740,337
Receivables	925,505	-	925,505
Net Pension Asset	2,384,352	254,734	2,639,086
Capital Assets (not being depreciated)			
Land	16,204,607	4,778,681	20,983,288
Construction Work in Progress	6,519,873	4,075,084	10,594,957
Capital Assets (net of accumulated depreciation and amortization)			
Buildings	8,434,581	1,205,629	9,640,210
Improvements Other than Buildings	488,905	16,442	505,347
Intangible Assets	51,302	3,369,070	3,420,372
Machinery and Equipment	2,554,948	355,845	2,910,793
Infrastructure	41,421,729	61,650,081	103,071,810
Other Asset	-	592,064	592,064
Total Assets	130,967,981	126,364,037	257,332,018
Deferred Outflows of Resources			
Related to Pensions	3,079,576	347,330	3,426,906
Related to OPEB	35,703	-	35,703
Related to Asset Retirement Obligations	-	140,869	140,869
Total Deferred Outflows of Resources	3,115,279	488,199	3,603,478
Liabilities			
Accounts Payable	1,303,844	1,343,033	2,646,877
Other Current Liabilities	1,773,418	111,197	1,884,615
Accounts Payable and Other current liabilities-Payable from Restricted Assets	357,101	-	357,101
Accrued Interest Payable	13,540	70,396	83,936
Customer Deposits	37,153	-	37,153
Unearned Revenue	402,567	227,092	629,659
Unearned Revenue from Restricted Assets	3,270,636	-	3,270,636
Noncurrent Liabilities			
Due within One Year	1,073,399	527,307	1,600,706
Total OPEB Liability	71,406	-	71,406
Due in More than One Year	2,633,403	6,087,047	8,720,450
Net Pension Liability	414,631	106,001	520,632
Total OPEB Liability	1,719,332	-	1,719,332
Asset Retirement Obligation	-	209,043	209,043
Total Liabilities	13,070,430	8,681,116	21,751,546
Deferred Inflows of Resources			
Related to Leases	191,733	-	191,733
Related to Pensions	956,130	115,874	1,072,004
Total Deferred Inflows of Resources	1,147,863	115,874	1,263,737
Net Position			
Net Investment in Capital Assets	72,975,678	68,054,893	141,030,571
Restricted for			
Capital	16,201,207	-	16,201,207
Public Safety	836,592	-	836,592
Pension	2,384,352	254,734	2,639,086
Debt Service	-	297,778	297,778
Drug Investigation	12,026	-	12,026
Tourist Promotion	261,764	-	261,764
Unrestricted	27,193,348	49,447,841	76,641,189
Total Net Position	$ 119,864,967	$ 118,055,246	$ 237,920,213

The notes to the financial statements are an integral part of this statement

CITY OF BATTLE GROUND
Statement of Activities
For the year ended December 31, 2024

Functions/Programs	Expenses	Indirect Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business -type Activities	Net (Expense) Revenue and Changes in Net Position: Total
PRIMARY GOVERNMENT								
Governmental Activities:								
General Government	$ 5,451,925	$ (1,514,372)	$ 148,326	$ -	$ 2,093,136	(1,696,091)	$ -	$ (1,696,091)
Judicial	903,485	-	424,621	38,365	-	(440,499)	-	(440,499)
Public Safety	7,184,633	-	355,884	727,237	19,292	(6,082,220)	-	(6,082,220)
Physical Environment	697,684	-	12,143	-	-	(685,541)	-	(685,541)
Transportation	3,732,077	-	6,009	768,993	4,799,369	1,842,294	-	1,842,294
Economic Environment	5,305,097	-	8,396,924	394,409	-	3,486,236	-	3,486,236
Culture and Recreation	1,720,145	-	296,887	1,047	-	(1,422,211)	-	(1,422,211)
Interest Expense	185,380	-	-	-	-	(185,380)	-	(185,380)
TOTAL GOVERNMENTAL ACTIVITIES	25,180,426	(1,514,372)	9,640,794	1,930,051	6,911,797	(5,183,412)	-	(5,183,412)
Business Type Activities:								
Storm Drainage	2,077,026	453,465	1,950,352	109,089	1,692,439	-	1,221,389	1,221,389
Water	4,002,942	504,761	3,797,368	-	2,155,646	-	1,445,311	1,445,311
Sewer	7,581,042	556,146	6,598,399	-	6,699,467	-	5,160,678	5,160,678
TOTAL BUSINESS-TYPE ACTIVITIES	13,661,010	1,514,372	12,346,119	109,089	10,547,552	-	7,827,378	7,827,378
Total Primary Government	$ 38,841,436	$ -	$ 21,986,913	$ 2,039,140	$ 17,459,349	$ (5,183,412)	$ 7,827,378	$ 2,643,966
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes						4,119,354	-	4,119,354
Sales and Use Taxes						7,126,007	-	7,126,007
Business and Occupation Taxes						3,404,062	-	3,404,062
Excise Taxes						1,619,065	-	1,619,065
Grants and Contributions not Restricted to Specific Programs						417,012	-	417,012
Unrestricted Investment Earnings						2,287,715	2,209,165	4,496,880
Gain on Sale of Capital Assets						146,274	4,988	151,262
Miscellaneous						87,774	-	87,774
Transfers						(2,093,136)	2,093,136	-
Total General Revenues						17,114,127	4,307,289	21,421,416
Change in Net Position						11,930,715	12,134,667	24,065,382
Net Position - Beginning						108,124,301	105,949,209	214,073,510
Change in Accounting Principle - Compensated Absences						(190,049)	(28,630)	(218,679)
Net Position as of January 1 - restated						107,934,252	105,920,579	213,854,831
Net Position - Ending						$ 119,864,967	$ 118,055,246	$ 237,920,213

The notes to the financial statements are an integral part of this statement

CITY OF BATTLE GROUND
Governmental Funds
Balance Sheet
December 31, 2024

	General Fund	Real Estate Excise Tax	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$ 26,893,749	$ 8,314,306	$ 2,244,664	$ -	$ 6,481,867	43,934,586
Investments	2,053,183	977,935	264,019	-	762,402	4,057,539
Property Taxes Receivables	75,000	-	-	-	-	75,000
Utility Tax Receivable	181,554	-	-	-	-	181,554
Accounts Receivable	2,689,998	-	454,882	1,027,738	6,322	4,178,940
Lease Receivable	191,734	-		-	-	191,734
Interest Receivable	7,445	2,119	572	-	1,651	11,787
Municipal Court Receivable	106,613	-	-	-	-	106,613
Due from Other Funds	742,189	-	-	-	-	742,189
Total Assets	32,941,465	9,294,360	2,964,137	1,027,738	7,252,242	53,479,942
Liabilities						
Accounts Payable	1,106,525	-	193,158	275,668	72,023	1,647,374
Due to Other Funds	-	-	-	742,189	-	742,189
Other Accrued Liabilities	484,055	-	1,289,363	9,410	-	1,782,828
Unearned Revenues	3,270,636	-	-	-	-	3,270,636
Customer Deposits	37,153	-	-	-	-	37,153
Total Liabilities	4,898,369	-	1,482,521	1,027,267	72,023	7,480,180
Deferred Inflows of Resources						
Unavailable revenue - taxes	58,185	-	-	-	-	58,185
Unavailable revenue - municipal court	106,613	-	-	-	-	106,613
Unavailable revenue - grants	142,101	-	-	53	-	142,154
Unavailable revenue - settlement	629,917	-	-	-	-	629,917
Unavailable revenue - local payments	15,614	-	-	-	-	15,614
Deferred Inflows for Leases	191,734	-		-	-	191,734
Total Deferred Inflows of Resources	1,144,164	-	-	53	-	1,144,217
Fund Balances						
Restricted for:						
Capital	-	9,294,360	-	418	6,906,429	16,201,207
Public Safety	206,675	-	-	-	-	206,675
Drug Investigation	-	-	-	-	12,026	12,026
Tourist Promotion	-	-	-	-	261,764	261,764
Assigned to:						
LEOFF 1	407,723	-	-	-	-	407,723
Parks	1,396,454	-	-	-	-	1,396,454
Insurance Reserve	165,125	-	-	-	-	165,125
Economic Stabilization	394,785	-	-	-	-	394,785
Street	-	-	1,481,616	-	-	1,481,616
Unassigned	24,328,170	-	-	-	-	24,328,170
Total Fund Balances	26,898,932	9,294,360	1,481,616	418	7,180,219	$ 44,855,545
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 32,941,465	$ 9,294,360	$ 2,964,137	$ 1,027,738	$ 7,252,242	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (excludes internal service funds)	73,859,018
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds (see note 2A)	5,495,985
Long-term liabilities that are not due and payable in the current period and are not reported in the funds (see note 2A)	(6,328,281)
Net position of internal service funds - governmental activities (see note 2A)	1,982,700
Net position of governmental activities	$ 119,864,967

The notes to the financial statements are an integral part of this statement.

CITY OF BATTLE GROUND

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 2024

	General Fund	Real Estate Excise Tax	Street Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	$ 4,112,379	$ -	$ -	$ -	$ -	$ 4,112,379
Sales and Use Taxes	6,468,586	-	657,421	-	-	7,126,007
Other Taxes	3,652,516	1,610,166	-	-	81,838	5,344,520
License and Permits	2,548,360	-	-	-	-	2,548,360
Intergovernmental	3,810,608	-	690,886	1,461,194	-	5,962,688
Charges for Services	5,940,428	-	259,670	-	2,007,514	8,207,612
Fines and Forfeits	199,376	-	-	-	262	199,638
Interest Earnings	1,202,528	464,318	158,497	-	369,991	2,195,334
Rents and Royalties	436,900	-	6,009	-	-	442,909
Contributions/Donations	19,163	-	-	-	78,107	97,270
Miscellaneous	248,713	-	3,143	-	-	251,856
Total Revenues	28,639,557	2,074,484	1,775,626	1,461,194	2,537,712	36,488,573
Expenditures						
Current						
General Government	5,410,279	-	-	-	-	5,410,279
Judicial	928,512	-	-	-	-	928,512
Security/Persons and Property	7,703,304	-	-	-	-	7,703,304
Physical Environment	723,225	-	-	-	-	723,225
Transportation	-	-	3,271,734	-	-	3,271,734
Economic Environment	5,289,327	-	-	-	92,142	5,381,469
Culture and Recreation	1,497,958	-	-	-	-	1,497,958
Capital Expenditures						
General Government	42,154	-	-	97,323	-	139,477
Security/Persons and Property	-	-	-	703,227	35,311	738,538
Culture and Recreation	215,291	-	-	426,064	-	641,355
Transportation	-	-	36,212	2,309,050	-	2,345,262
Debt Service						
Principal Retirement	19,473	-	5,230	-	345,000	369,703
Interest/Fiscal Charges	885	-	432	-	184,063	185,380
Total Expenditures	21,830,408	-	3,313,608	3,535,664	656,516	29,336,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,809,149	2,074,484	(1,537,982)	(2,074,470)	1,881,196	7,152,377
Other Financing Sources (Uses)						
Sale of Capital Assets	2,155	-		-	-	2,155
Insurance Recoveries	1,546	-	7,620	-	-	9,166
Transfers In	277,589	-	2,380,000	2,076,484	450,956	5,185,029
Transfers Out	(4,865,122)	(691,560)	(264,210)	-	(1,457,273)	(7,278,165)
Total Other Financing Sources and Uses	(4,583,832)	(691,560)	2,123,410	2,076,484	(1,006,317)	(2,081,815)
Net Change in Fund Balance	2,225,317	1,382,924	585,428	2,014	874,879	5,070,562
Fund Balance at Beginning of Year	24,673,615	-	896,188	(1,596)	14,216,776	39,784,983
Change to or Within the Reporting Entity	-	7,911,436			(7,911,436)	-
Fund Balance at End of Year	$ 26,898,932	$ 9,294,360	$ 1,481,616	$ 418	$ 7,180,219	$ 44,855,545

The notes to the financial statements are an integral part of this statement

CITY OF BATTLE GROUND

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
Year Ended December 31, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balance - total governmental funds:	$	5,070,562
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period.		2,178,868
The net effect of various miscellaneous transactions involving capital assets (I.e., sales, transfers, trade-ins, and donations) is to increase net position.		(4,133)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		2,713,234
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		369,704
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		613,930
Internal service funds are used by management to charge the costs of vehicle and technology replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		988,550
Change in Net Position of Governmental Activities	$	11,930,715

The notes to the financial statements are an integral part of this statement

CITY OF BATTLE GROUND
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended December 31, 2024

	Budget Amounts		Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
	Original 2024	Final 2024		
Revenues				
Property Taxes	$ 4,114,556	$ 4,114,556	$ 4,112,379	$ (2,177)
Sales and Use Taxes	6,584,850	6,584,850	6,468,586	(116,264)
Other Taxes	2,857,252	2,857,252	3,652,516	795,264
License and Permits	1,487,325	1,487,325	2,548,360	1,061,035
Intergovernmental	7,063,866	7,163,866	3,810,490	(3,353,376)
Charges for Services	4,513,963	4,513,963	6,100,172	1,586,209
Fines and Forfeits	123,068	123,068	199,376	76,308
Interest Earnings	200,000	200,000	1,079,009	879,009
Rents and Royalties	189,061	189,061	145,894	(43,167)
Contributions/Donations	10,000	10,000	18,234	8,234
Miscellaneous	36,077	36,077	248,655	212,578
Total Revenues	27,180,018	27,280,018	28,383,671	1,103,653
Expenditures				
Current				
General Government	5,404,756	6,265,176	5,365,644	899,532
Judicial	872,196	956,013	928,512	27,501
Security/Persons and Property	7,375,545	8,120,545	7,703,304	417,241
Physical Environment	989,768	1,018,768	723,225	295,543
Economic Environment	4,153,458	5,545,426	5,289,327	256,099
Capitalized Expenditures	46,000	46,000	42,154	3,846
Debt Service				
Principal Retirement	-	-	19,473	(19,473)
Interest/Fiscal Charges	-	-	885	(885)
Total Expenditures	18,841,723	21,951,928	20,072,524	1,879,404
Excess (Deficiency) of Revenues Over (under) Expenditures	8,338,295	5,328,090	8,311,147	2,983,057
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	1,546	1,546
Sale of Capital Assets	-	-	630	630
Transfers In	-	-	-	-
Transfers Out	(10,372,340)	(9,945,963)	(6,220,122)	3,725,841
Total Other Financing Sources and Uses	(10,372,340)	(9,945,963)	(6,217,946)	3,728,017
Net Change in Fund Balance	(2,034,045)	(4,617,873)	2,093,201	6,711,074
Fund Balance at Beginning of Year	17,780,658	17,780,658	22,441,644	4,660,986
Fund Balance at End of Year	$ 15,746,613	$ 13,162,785	$ 24,534,845	$ 11,372,060
Adjustment to generally accepted accounting principles (GAAP) basis:				
Parks Fund budgeted as separate fund			$ 1,396,454	
Insurance Reserve Fund budgeted as separate fund			165,125	
LEOFF I Reserve Fund budgeted as separate fund			407,723	
Economic Stabilization Fund budgeted as separate fund			394,785	
Fund Balance GAAP basis:			$ 26,898,932	

The notes to the financial statements are an integral part of this statement

CITY OF BATTLE GROUND
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Street Fund
For the Fiscal Year Ended December 31, 2024

	Budget Amounts		Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
	Original 2024	Final 2024		
Revenues				
Sales and Use Taxes	$ 681,551	$ 681,551	$ 657,421	$ (24,130)
Intergovernmental	1,002,683	1,002,683	690,886	(311,797)
Charges for Services	406,887	406,887	259,670	(147,217)
Interest Earnings	4,162	4,162	158,497	154,335
Rents and Royalties	4,200	4,200	6,009	1,809
Miscellaneous	5,628	5,628	3,143	(2,485)
Total Revenues	2,105,111	2,105,111	1,775,626	(329,485)
Expenditures				
Current:				
Transportation	4,461,548	4,661,548	3,271,734	1,389,814
Capitalized Expenditures	39,000	39,000	36,212	2,788
Debt service:				
Principal Retirement	-	-	5,230	(5,230)
Interest/Fiscal Charges	-	-	432	(432)
Total Expenditures	4,500,548	4,700,548	3,313,608	1,386,940
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,395,437)	(2,595,437)	(1,537,982)	1,057,455
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	7,620	7,620
Transfers In	2,380,000	2,380,000	2,380,000	-
Transfers Out	(406,887)	(406,887)	(264,210)	142,677
Total Other Financing Sources and Uses	1,973,113	1,973,113	2,123,410	150,297
Net Change in Fund Balance	(422,324)	(622,324)	585,428	1,207,752
Fund balance at beginning of year	698,671	698,671	896,188	197,517
Fund balance at end of year	$ 276,347	$ 76,347	$ 1,481,616	$ 1,405,269

The notes to the financial statements are an integral part of this statement

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Net Position
December 31, 2024

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Assets					
Current Assets					
Cash and Cash Equivalents	$ 3,894,347	$ 12,703,606	$ 24,067,335	$ 40,665,288	$ 1,682,347
Investments	458,056	1,494,208	2,830,818	4,783,082	198,540
Receivables (net)					
Accounts	192,116	373,381	901,516	1,467,013	-
Interest	992	3,238	6,134	10,364	431
Grants	44,131	-	1,087,364	1,131,495	-
Total Current Assets	4,589,642	14,574,433	28,893,167	48,057,242	1,881,318
Noncurrent Assets					
Restricted Cash and Cash Equivalents	-	-	297,778	297,778	-
Net Pension Asset	88,581	94,337	71,816	254,734	-
Property, Plant and Equipment (Net)	18,833,128	22,344,190	34,273,514	75,450,832	1,816,927
Other Asset	-	592,064	-	592,064	-
Total Noncurrent Assets	18,921,709	23,030,591	34,643,108	76,595,408	1,816,927
Total Assets	23,511,351	37,605,024	63,536,275	124,652,650	3,698,245
Deferred Outflows of Resources					
Deferred Outflows Related to Pensions	120,781	128,628	97,921	347,330	-
Deferred Outflows Related to Asset Retirement Obligations	-	140,869	-	140,869	-
Total Deferred Outflows	120,781	269,497	97,921	488,199	-
Liabilities					
Current Liabilities					
Accounts Payable	78,149	322,747	942,137	1,343,033	4,158
Accrued Interest Payable	-	6,611	63,785	70,396	-
Other Accrued Liabilities	38,548	38,044	34,605	111,197	-
Compensated Absences	37,978	51,179	50,811	139,968	-
SBITA Payable	5,371	5,371	5,371	16,113	
Unearned Revenues	-	932	226,160	227,092	-
Bonds, Notes and Loans Payable	-	220,077	151,149	371,226	-
Total Current Liabilities	160,046	644,961	1,474,018	2,279,025	4,158
Noncurrent Liabilities					
SBITA Payable	5,515	5,515	5,515	16,545	-
Bonds, Notes and Loan Payable	-	1,172,681	4,773,996	5,946,677	-
Compensated Absences	32,842	45,380	45,603	123,825	-
Net Pension Liability	36,861	39,256	29,884	106,001	-
Asset Retirement Obligation	-	209,043	-	209,043	-
Total Noncurrent Liabilities	75,218	1,471,875	4,854,998	6,402,091	-
Total Liabilities	235,264	2,116,836	6,329,016	8,681,116	4,158
Deferred Inflows of Resources					
Deferred Inflows Related to Pensions	40,294	42,912	32,668	115,874	-
Net Position					
Net Investment in Capital Assets	18,820,207	20,794,163	28,440,523	68,054,893	1,813,040
Restricted for Pension	88,581	94,337	71,816	254,734	-
Restricted for Debt Service	-	-	297,778	297,778	-
Unrestricted	4,447,786	14,826,273	28,462,395	47,736,454	1,881,047
Total Net Position	$ 23,356,574	$ 35,714,773	$ 57,272,512	$ 116,343,859	$ 3,694,087
Adjustment to report cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time (See Note 2C)				1,711,387	
Net position of business-type activities				$ 118,055,246	

The notes to the financial statements are an integral part of this statement

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended December 31, 2024

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Operating Revenues					
Charge for Services	$ 1,948,785	$ 3,796,937	$ 6,449,851	$ 12,195,573	$ 1,613,268
Miscellaneous	1,567	431	148,548	150,546	-
Total Operating Revenues	1,950,352	3,797,368	6,598,399	12,346,119	1,613,268
Operating Expenses					
Personnel Services	843,823	809,031	679,900	2,332,754	-
Equipment and Supplies	52,112	201,185	56,088	309,385	114,188
Professional Services	334,227	307,842	136,746	778,815	-
Utilities	2,481	1,449,740	109,255	1,561,476	-
Repairs and Maintenance	77,213	66,271	160,083	303,567	-
Taxes	39,784	202,482	164,041	406,307	-
Intergovernmental services	-	-	3,827,868	3,827,868	-
Insurance	47,753	76,964	118,353	243,070	-
Allocated expenses	453,469	504,767	556,149	1,514,385	-
Other	336,530	49,825	223,296	609,651	-
Depreciation/amortization	492,266	1,001,949	2,126,369	3,620,584	164,699
Total Operating Expenses	2,679,658	4,670,056	8,158,148	15,507,862	278,887
Operating Income (loss)	(729,306)	(872,688)	(1,559,749)	(3,161,743)	1,334,381
Nonoperating Revenues (Expenses)					
Interest Earnings	224,518	700,514	1,284,133	2,209,165	92,385
State and Federal Grants	109,089	-	-	109,089	-
Interest and Fiscal Charges	(432)	(49,103)	(150,884)	(200,419)	-
Gain (loss) on Sale of Capital Assets	(51,484)	(2,085)	4,988	(48,581)	148,252
Total Nonoperating Revenues (Expenses)	281,691	649,326	1,138,237	2,069,254	240,637
Income (Loss) before Contributions, Special Items, and Transfers	(447,615)	(223,362)	(421,512)	(1,092,489)	1,575,018
Capital Contributions	1,692,439	2,155,646	6,699,467	10,547,552	-
Transfers In	-	1,776,238	316,898	2,093,136	-
Change in Net Position	1,244,824	3,708,522	6,594,853	11,548,199	1,575,018
Total Net Position at Beginning of Year	22,119,657	$ 32,020,900	$ 50,683,733		$ 2,119,069
Change in Accounting Principle - Compsensated Absences	(7,907)	(14,649)	(6,074)		-
Total Net Position at End of Year	$ 23,356,574	$ 35,714,773	$ 57,272,512		$ 3,694,087

Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	586,468
Changes in net position of business-type activities	$ 12,134,667

The notes of the financial statements are an integral part of this statement

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2024

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:					
Cash received from Customers	$ 1,940,887	$ 3,747,708	$ 6,452,485	$ 12,141,080	$ -
Proceeds from Operating Grants	71,368	-	-	71,368	-
Receipts from vehicle interfund charges	-	-	-	-	1,461,500
Receipts from technology interfund charges	-	-	-	-	151,768
Cash payments to Suppliers	(521,613)	(2,154,937)	(3,858,574)	(6,535,124)	(116,796)
Cash payments to Employees	(846,153)	(833,271)	(665,431)	(2,344,855)	-
Cash payments for Interfund Services Received	(789,853)	(550,790)	(774,213)	(2,114,856)	-
Net Cash Provided by Operating Activities	(145,364)	208,710	1,154,267	1,217,613	1,496,472
Cash Flows from Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(54,792)	(2,141,885)	(2,544,797)	(4,741,474)	(1,111,515)
Proceeds from Other Financing (Transfers)	-	1,776,238	316,898	2,093,136	-
Proceeds from Sale of Capital Assets	20,875	-	4,988	25,863	149,252
Proceeds from Capital Grant	72	-	-	72	-
Principal Paid on Lease	(5,230)	(5,230)	(5,230)	(15,690)	-
Principal Paid on Current Debt	-	(206,153)	(342,304)	(548,457)	-
Interest Paid on Revenue Bonds and Other Long Term Debt	(432)	(50,082)	(155,936)	(206,450)	-
Capital Contributed-Paid in cash	130,466	978,536	4,375,464	5,484,466	-
Net Cash Provided for Capital and Related Financing Activities	90,959	351,424	1,649,083	2,091,466	(962,263)
Cash Flows from Investing Activities:					
Interest on Investments	224,036	698,846	1,280,764	2,203,646	92,107
Proceeds or Purchase of Investment Securities	103,038	251,899	207,768	562,705	(29,235)
Net Cash Used by Investing Activities	327,074	950,745	1,488,532	2,766,351	62,872
Net Increase (Decrease) in Cash and Cash Equivalents	272,669	1,510,879	4,291,882	6,075,430	597,081
Cash and Cash Equivalents at Beginning of Year	3,621,678	11,192,727	20,073,231	34,887,636	1,085,266
Cash and Cash Equivalents at End of Year	$ 3,894,347	$ 12,703,606	$ 24,365,113	$ 40,963,066	$ 1,682,347

continued on next page

The notes to the financial statement are an integral part of this statement

CITY OF BATTLE GROUND
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2024

	Business-type Activities				Governmental Activities
	Storm Drainage	Water	Sewer	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:					
Net Operating Income (Loss)	$ (729,306)	$ (872,688)	$ (1,559,749)	$ (3,161,743)	$ 1,334,381
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation/amortization Expense	492,266	1,001,949	2,126,369	3,620,584	164,699
Pension Expense (GASB 68)	(16,371)	(17,107)	(19,936)	(53,414)	-
Accrued Employee Leave	11,245	8,447	29,135	48,827	
(Increase) Decrease in Receivables	(47,186)	(49,660)	(145,914)	(242,760)	-
Increase (Decrease) in Current Payables	32,104	153,349	719,092	904,545	(2,608)
Increase (Decrease) in Accrued Employee Benefits	2,796	(15,580)	5,270	(7,514)	-
Receipt of Operating Grant	109,088	-	-	109,088	-
Total Adjustments	583,942	1,081,398	2,714,016	4,379,356	- 162,091
Net Cash Provided by Operating Activities	$ (145,364)	$ 208,710	$ 1,154,267	$ 1,217,613	$ 1,496,472
Noncash Investing, Financing and Capital Activities					
Capital Assets Contributed	1,561,900	1,177,110	1,236,639	3,975,649	-
Net Change in Fair Value of Investments	(1,162)	(6,980)	(7,181)	(15,323)	6,498
Capital Assets Disposed of at loss	(72,359)	(2,085)	-	(74,444)	-

The notes to the financial statements are an integral part of this statement

City of Battle Ground

Statement of Fiduciary Net Position

Fiduciary Funds

As of December 31, 2024

	Custodial Activities
Assets	
Cash and cash equivalents	$ 18,361
Accounts Receivable	1,155
Total Assets	19,516
Liabilities	
Due to other governments	19,168
Total Liabilities	19,168
Net Position	
Restricted for other governments	348
Total Net Position	$ 348

The notes to the financial statements are an integral part of this statement

City of Battle Ground

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year ended December 31, 2024

	Custodial Activities
Additions	
Court fees collected for other governments	168,677
Gun fees collected for state	5,799
Use tax collected for state	5,603
Building code fee collected for state	3,333
Leasehold excise tax collected for state	20,640
Total Additions	204,052
Deductions	
Payments of court fees distributed to other governments	168,677
Payments of gun fees to state	5,526
Payments of use tax to state	5,603
Payments of building code fee to state	3,366
Payment of leasehold excise tax to state	20,640
Total Deductions	203,812
Change in net position held for other governments	240
Net Position	
Net position as of January 1	108
Net position as of December 31	348

The notes to the financial statements are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICES
NOTE 2 RECONCILIATOIN OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
NOTE 3 DEPOSITS AND INVESTMENTS
NOTE 4 CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION
NOTE 5 INTERFUND TRANSACTIONS
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CITY OF BATTLE GROUND
Notes to Financial Statements
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Battle Ground, Washington (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting Entity

The City of Battle Ground was incorporated in June 1951. It operates under the laws of the State of Washington applicable to noncharter code cities with a council-manager form of government. City council is composed of seven elected members with one selected to serve as the mayor. The City is a general purpose government and provides public safety, street construction and maintenance, parks and recreation, judicial administration, planning, economic development, and general administrative services. The City owns and operates water, storm drainage, and sewer utilities.

As required by generally accepted accounting principles, the financial statements present the City of Battle Ground as a primary government. The City does not have any component units.

B. Basis of Presentation - Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the *Statement of Net Position* and the *Statement of Activities*) report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are instead reported as general revenues.

As a general rule, the effect of interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The ***general*** (or current expense) ***fund*** is the City's operating fund. It accounts for all financial resources of the general government, except those required or elected to be accounted for in another fund. The Parks and Recreation Fund, Insurance Reserve Fund, LEOFF I Reserve Fund, Economic Stabilization Fund, and Fire Impact Fees Fund are included in the general fund for financial reporting purposes.

Street fund accounts for transportation repairs and maintenance. Maintenance includes street repairs, striping, walkways, signals, lighting, and landscaping. Revenue sources are from state motor vehicle fuel taxes and grants.

Real Estate Excise Tax fund accounts for real estate excise tax collected and used for the preservation of City assets, including both governmental and enterprise.

Capital projects fund account for financial resources used for the acquisition, construction, and preservation of general governmental capital projects. Major sources of revenue are proceeds from general obligation bonds, loans, and capital grants from other agencies.

The City reports the following major enterprise funds:

The ***storm drainage fund*** provides flood management and water quality protection. Activities include construction and maintenance of public drainage systems, erosion control, and environmental public awareness. System development charges (SDC) assessed on new development are expended to build and expand drainage systems. The storm drainage SDC fund is included with the storm drainage fund for financial reporting purposes.

The ***water fund*** accounts for the City's water utility operations. Activities of the municipal water system includes production, treatment, storage, and distribution of domestic water. Utility operations are self-supported through user fees. System development charges (SDC) assessed on new development are expended to build and expand water capacity. The water SDC fund is included in the water fund for financial reporting purposes.

The ***sewer fund*** accounts for the City's sewer utility operations. Sewer operations provide safe and clean collection and disposal of sewage. Utility operations are self-supported through user fees. System development charges (SDC) assessed on new development are expended to build and expand sewer capacity. The sewer SDC fund is included in the sewer fund for financial reporting purposes.

Additionally, the City reports the following fund types:

Debt service fund accounts for and report the resources accumulated and payments made for principal and interest of the general government, except those required to be accounted for in another fund.

Non-major capital project funds account for financial resources used for the preservation of general governmental capital projects. Major sources of revenue are impact fees.

Special revenue funds account for and report the proceeds of specific revenue sources that are restricted or committed for expenditures for specified purposes. Special revenue funds include the drug Investigation fund and the lodging tax fund.

Internal service funds account for financial resources used to fund the acquisition and preservation of fleet and information technology equipment provided to other City departments. Because these services benefit governmental operations more than business-type functions, these funds have been included within governmental activities in the government-wide financial statements.

Fiduciary fund accounts for the financial transactions of the City's court remittances to the Washington State Administrative Office of the Courts and Clark County related to fees collected by the City on their behalf. The city also collects funds for the Washington State Department of Revenue and Department of Licensing; leasehold excise tax on property rentals, use tax on invoices in which sales tax was not charged, and state gun permit fees for concealed weapon licenses. The assets associated with these activities are controlled by the government and not derived from its own source revenues and the City does not have administrative involvement. The amounts collected are due immediately to the State of Washington or Clark County without further action required to be taken.

C. Measurement Focus, Basis of Accounting

1. Government-wide and Governmental Funds

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, due to the nature of the revenues, the City considers Intergovernmental revenues available if they are collected within 90 days of the end of the current fiscal period. For all other revenue classifications, the City considers revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

2. Proprietary and Fiduciary Funds

Proprietary and fiduciary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Principal

operating revenues of the funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Budgetary information

1. Scope of Budget

The City of Battle Ground prepared an annual budget for 2024 in accordance with the Revised Code of Washington (RCW) Chapter 35A.33. All governmental funds are prepared on a modified accrual basis consistent with generally accepted accounting principles. These budgets are adopted at the fund level and constitute the legal authority for expenditures. Expenditures and other financing uses may not exceed budgeted appropriations at these levels. Any unexpended appropriation balances lapse at the end of the year.

Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects.

2. Amending the Budget

The City manager is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of a fund must be approved by the City council. When the council determines that it is in the best interest of the City to increase or decrease the appropriations for a particular fund, it may do so by ordinance.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the fiscal year. The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the annual budget.

E. Assets, Liabilities, Fund Balance and Net Position

1. Cash and Cash Equivalents - See Note 3

It is the City's policy to invest all temporary cash surpluses. At December 31, 2024, the treasurer was holding $86,579,999 in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds.

For purposes of the *Statement of Cash Flows*, the City considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents. All amounts held in the Local Government Investment Pool (LGIP) and Clark County Investment Pool (CCIP) are considered to be cash equivalents.

2. Investments - See Note 3

Investments purchased with an original maturity of more than three months are classified as investments. Except for certificates of deposit, investments are reported at fair value on quoted market prices for securities. Change in fair value is reported in the *Statement of Revenues, Expenses and Changes in Net Position* as investment earnings.

State statute (RCW 39.59.040) authorizes investments in obligations of the U.S. Treasury, commercial paper, banker's acceptances, certain other government agency obligations, and the

state and county treasurer's investment pool. The City's investment policy does not further limit investment choices. The City's investment policy requires all securities transactions to be conducted on a delivery-versus-payment basis.

3. Receivables – See Note 15
   Taxes receivable consists of property taxes and related interest and penalties (see Note 10). Accrued interest receivable consists of amounts earned on investments and contracts at the end of the year.

   Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Uncollectible amounts are considered immaterial and the direct write-off method is used.

4. Amounts Due to and from Other Funds, Interfund Loans and Advances Receivable – See Note 5
   Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

5. Inventories
   Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. Inventories in the proprietary funds are not material and are not recorded.

6. Restricted Assets and Liabilities
   These accounts contain resources for construction and debt service in enterprise funds. Restricted assets for business-type activities are $297,778. This specific debt service reserve requirement for the sewer fund is described in Note 8. Restricted cash and investments for governmental activities are $20,013,821 for grant revenues received in advance, opioid settlement, impact fees, drug investigation, and tourist funds. Restricted receivables, $925,087 is related to restricted fund activity. Accounts payable from these restricted assets are in the amount of $357,101. Unearned revenue for restricted assets, $3,270,636, is for the American Recovery Plan Act funding.

7. Capital Assets – See Note 4
   Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $10,000 ($5,000 for assets acquired with federal financial assistance) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

   Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs for normal maintenance and repairs are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Category	Useful Life (years)
Buildings	15-40
Infrastructure	10-50
Intangible Assets	5-20
Utility Improvements	10-50
Public Work Equipment	5-20
Vehicles	5-11
Office and Electronic Equipment	5-10

8. Compensated Absences

The City accounts for compensated absences, such as vacation leave, sick leave, and similar benefits. Under this standard, liabilities for compensated absences are recognized when earned by employees and expected to be paid.

Key policies include:

- Accrued liabilities are recognized in the financial statements for amounts attributable to employees' services rendered through the end of the reporting period.
- Liabilities for compensated absences are measured based on pay rates in effect at the reporting date and include applicable salary-related payments.
- The liability is categorized as a current or noncurrent liability based on the timing of expected payments.
- Accrual of sick leave liabilities is based on policies allowing employees to receive payment for unused balances upon termination or retirement, subject to the probability of payment.
- The flow assumption for our calculation is first in first out (FIFO), employees will use the amount already accrued at the end of the year, first.

Eligible employees earn vacation leave, sick leave, and compensatory time in lieu of overtime. Unless otherwise provided by collective bargaining agreement or contract, vacation accruals are capped at 360 hours. Maximum accrual for sick leave is 960 hours.

If unused, compensation is paid upon termination of employment according to the terms of the applicable collective bargaining agreement, personnel rules and regulations, and the employee's length of service. Vacation leave and compensatory time generally qualify for 100 percent payout. Sick leave is limited to 33 percent payout upon retirement.

All leave is accrued when incurred in the government-wide and proprietary fund financial statements. As of December 31, 2024, the City reported compensated absences of $1,295,500 in governmental activities and $263,793 in business-type activities.

9. Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are

reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the City includes the net pension asset only.

10. Other Post-employment Benefits – See Note 12
    Lifetime full medical coverage is provided to uniformed police personnel who became members of the Law Enforcement Officers and Fire Fighters (LEOFF 1) retirement system prior to October 1, 1977. A liability for the accumulated unfunded actuarially required contribution is reported in the *Statement of Net Position*. The actual health care costs are reported as expenditures in the year they are incurred and are paid out of the LEOFF I Fund.

11. Other Accrued Liabilities
    These accounts consist of accrued employee wages and benefits and concurrency mitigation.

12. Long-Term Liabilities - See Note 7
    In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond issue costs are expensed when incurred. Long-term obligations used to finance proprietary fund operations and payable from revenue of the proprietary funds are accounted for in the applicable fund.

13. Unearned Revenues
    This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met. In the proprietary funds unearned revenue includes developer credits which have not yet been utilized.

14. Customer Deposits
    Customer deposits represent facility rental and developer deposits.

15. Fund Balance Classification
    Assets and deferred outflows in excess of liabilities and deferred inflows are reported as fund balances, and are segregated into separate classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent.

Nonspendable	Unavailable fund balance due to its form and legally or contractually required to remain intact
Restricted	Fund balance is reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
Committed	Fund balance can only be used for specific purposes as determined by formal action of City council. City council is the highest level of decision-making authority and can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the

	ordinance remains in place until a similar action is taken to remove or revise the limitation.
Assigned	Assigned fund balance includes resources intended to be used by the City for specific purposes but are neither restricted nor committed. The City has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as nonspendable, restricted, or committed.
Unassigned	This classification represents fund balance not included in other categories. The general fund is the only fund which reports a positive unassigned fund balance.

Flow assumption: When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When expenditure is incurred for purposes for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's policy to spend committed resources first, then assigned, and unassigned, in that order. However, prior to the commencement of any project, the flow assumptions are reviewed to ensure that the proper resources are being used.

16. Fund Reserve Goals

The City has financial management guidelines that set reserve goals for selected City funds.

General Fund - City council adopted Resolution 2020-06 which targets an unrestricted fund balance of 90 days of regular general fund operating expenditures. The target level is calculated on the monthly average of total annual budgeted general fund operating expenditures for the ensuing fiscal year. If the fund falls below its minimum level, the City will adjust the budget in subsequent fiscal years to restore the fund balance within three fiscal years.

Economic Stabilization Fund - City council adopted Resolution 2012-08 which created a cumulative reserve fund to maintain resources to provide continuing levels of service when projected revenue collections are not adequate. One-time revenues are placed in the fund and City council determines when to expend funds. This arrangement is disclosed as assigned fund balance in the general fund – *Governmental Funds Balance Sheet.*

17. Use of Estimates

These financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates and assumptions.

18. Net Position Classification

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Sometimes the City will fund outlays for a particular purpose from both restrict and unrestricted resources. To calculate the amounts to report as restricted net position and unrestricted net

position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The *Governmental Fund Balance Sheet* includes reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the *Government-wide Statement of Net Position.* One element of the reconciliation is "other long-term assets not available to pay for current-period expenditures and, therefore are deferred in the funds*."* The details of this difference are as follows:

Earned but unavailable revenues	$	952,484
Net pension asset		2,384,352
Deferred outflows related to pensions		3,079,576
Deferred outflows related to OPEB		35,703
Deferred inflows related to pensions		(956,130)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$	5,495,985

Another element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds payable	$	(2,360,000)
Accrued interest payable		(13,543)
Leases payable		(34,198)
SBITA Payable		(17,104)
Total OPEB liability		(1,790,738)
Net pension liability		(414,631)
Compensated absences		(1,295,500)
Impact fee credits		(402,567)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	$	(6,328,281)

Another element of that reconciliation explains that "internal service funds related to governmental activities." The assets and liabilities of internal service funds are included in governmental activities in the statement of net position. The details of this difference are as follows:

Net position of the internal service funds	$	3,694,087
Less: Internal payable representing charges in excess of cost to business-type activities – prior years		(1,124,919)
Less: Internal payable representing charges in excess of cost to		

business-type activities – current year	(586,468)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	$ 1,982,700

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund *Statement of Revenues, Expenditures and Changes in Fund Balance* includes reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities.

One element of that reconciliation explains that "governmental funds report capital outlays as expenditures." However, in the *Statement of Activities* the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The details of this difference are as follows:

Capital Outlay	$ 3,864,631
Depreciation expense	(1,661,059)
Amortization expense	(24,704)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$ 2,178,868

Another element of the reconciliation states, "the net effect of various miscellaneous transactions involving capital assets (ie sales, transfers, trade-ins, and donations) is to increase net position." The details of this difference are as follows:

Disposal of capital assets	$ (4,133)
Net adjustment to reduce fund balance – total governmental funds to arrive At changes in net position of governmental activities	$ (4,133)

Another element of that reconciliation states, "revenues in the S*tatement of Activities* that do not provide current financial resources are not reported as revenues in the funds." The details of this difference are as follows:

Contribution from developers	$ 3,204,493
Unearned revenue	(152,387)
Municipal court revenue - unavailable	(2,763)
Tax revenues – unavailable	(314,419)
Settlement – unavailable	(173,122)
Local payments -unavailable	9,278
Intergovernmental - unavailable	142,154
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ 2,713,234

Another element of that reconciliation states that the "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The details of these differences are as follows:

Principal repayments:		
General obligation debt	$	345,000
Principal payment on leases		13,419
Principal payment on SBITA		11,285
Net adjustment to increase net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	$	369,704

Another element of that reconciliation states, "some expenses reported in *the Statement of Activities* do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." These result from year-to-year changes in amounts on the *Statement of Net Position*. The details of this difference are as follows:

Compensated absences	$	(158,147)
Total OPEB liability		2,489
Net pension liability		56,956
Net pension asset		(536,200)
Deferred outflow of resources – related to pensions		880,606
Deferred inflow of resources – related to pensions		365,313
Deferred outflow of resources – related to OPEB		2,913
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	613,930

Another element of the reconciliation states "internal service funds used by management to charge the costs of vehicle and technology replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities." The details of this difference are as follows:

Change in net position of the internal service funds	$	1,575,018
Less: gain from charges to business-type activities		(586,468)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	$	988,550

C. Explanation of Certain Differences Between the Proprietary Fund Statement of Net Position and the Government-wide Statement of Net Position

The *Proprietary Fund Statement of Net Position* includes reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the *Government-wide Statement of Net Position.* The description of the sole element of that reconciliation is "adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time." The details of this difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities – prior years	$	1,124,919
Internal receivable representing charges in excess of cost to business-type activities – current year		586,468
Net adjustment to increase net position – total enterprise funds to arrive at net position – business-type activities	$	1,711,387

NOTE 3 – DEPOSITS AND INVESTMENTS

A reconciliation of cash, cash equivalents, and investments as shown in the government-wide and fund financial statements is as follows:

Cash and Investments - Adj Bank Statements	
Deposits with Financial Institutions	$ 1,711,688
Cash on Hand	4,150
Local Government Investment Pool	74,950,067
Clark County Investment Pool	9,932,454
Fair Value of Securities Held in Safekeeping	9,039,162
	$ 95,637,521

Financial Statements	
Cash and Cash Equivalents	$ 68,008,737
Restricted Cash and Cash Equivalents	18,571,262
Investments	7,298,824
Restricted Investments	1,740,337
Fiduciary Funds	18,361
	$ 95,637,521

	Equivalents, Pooled Investments	Restricted Cash	Restricted Investments
Governmental Funds			
General Fund	$ 25,469,621	$ 3,477,311	$ -
Real Estate Excise Tax Fund	-	8,314,306	977,935
Street Fund	2,508,683	-	-
Capital Projects Fund	-	-	-
Other Governmental Funds	-	6,481,867	762,402
Proprietary Funds			
Storm Drainage	4,352,403	-	-
Water	14,197,814	-	-
Sewer	26,898,153	297,778	-
Internal Service	1,880,887	-	-
Fiduciary Funds	18,361	-	-
	$ 75,325,922	$ 18,571,262	$ 1,740,337
Grand Total Cash and Investments by Statements			$ 95,637,521

State and county investment pools are available for use by all City funds. In general, interest earned from pooled deposits and investments is allocated to each fund based on the average earnings and daily cash balance of each fund. Investments in the state and county investment pools are classified as cash equivalents on the financial statements. Investments include securities held in safekeeping.

A. Deposits

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the City would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's deposits are covered by federal depository insurance (FDIC) or by

collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The Federal Depository Insurance Commission (FDIC) insures deposits up to $250,000 and the Washington Public Deposit Protection Commission (PDPC) insures deposits over $250,000.

B. Investments

Investments are subject to the following risks:

Credit rate risk

While the City does not have a written credit risk policy, the City invests in securities identified as eligible investments by state statutes. All debt securities in the City's investment portfolio are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and are not considered to have credit risk.

Custodial credit risk

The City's investment policy requires the City to execute custodial agreements with its bank or other custodial agents which are chartered by the United States government or the State of Washington. All investment security transactions are conducted on a delivery-versus-payment (DVP) basis.
A financial institution, designated by the finance director as primary agent to serve as a custodian acting on the City's behalf, holds securities purchased by the City. All transactions are evidenced by safekeeping receipts.

Concentration of credit risk

Safety of the principal is the foremost objective of the City's investment program. All investment securities of the City are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The City's policy requires that the portfolio be structured to diversify investments to reduce the risk of loss by over-concentration of assets in a specific maturity, a specific issuer, or a specific type of security. The City's investment policy states that no more than 90 percent of the total portfolio may be invested in U.S. treasuries or agencies. The state and local investment pools are not limited.

Interest rate risk

In accordance with its investment policy, the City manages exposure to declines in values from interest rates by limiting the weighted average maturity of its investment portfolio to maturities that will fulfill the cash flow needs of the City. The securities in the portfolio are structured in a manner that ensures sufficient cash is available to meet anticipated cash flow needs based on historical information.

The City's investment policy specifies the maximum maturity for security types. Maturities range from one year for commercial paper up to 10 years for U.S. treasuries.

Issuer	Value	Less than 1 Year	2-5 Years
Local Government Investment Pool	74,950,067	74,950,067	-
Clark County Pool	9,932,454	9,932,454	-
Federal National Mortgage Association	1,964,857		1,964,857
Federal Farm Credit Bank	1,943,625	-	1,943,625
Federal Home Loan Bank	944,598	-	944,598
U.S. Treasury Notes	2,141,841		2,141,841
U.S. Treasury Notes	2,044,241		2,044,241
	$ 93,921,683	$ 84,882,521	$ 9,039,162

The City's investment policy states the average maturity of the portfolio will not exceed two years. However, the policy includes the state and local government investment pools as investments for calculating the maximum average maturity of investments.

Issuer	Value	Maturity	Average Maturity in Years	% of Portfolio
Local Government Investment Pool	74,950,067	-	0.07	79.8%
Clark County Pool	9,932,454	-	1.24	10.6%
Federal National Mortgage Association	1,964,857	6/17/2025	3.30	2.1%
Federal Farm Credit Bank	1,943,625	11/17/2025	3.88	2.1%
Federal Home Loan Bank	944,598	9/30/2026	4.75	1.0%
U.S. Treasury Notes	2,141,841	1/31/2027	2.67	2.3%
U.S. Treasury Notes	2,044,241	11/30/2027	3.00	2.2%
	$ 93,921,683			100%
Portfolio weighted average maturity			0.51	

1. Investments Measured at Amortized Cost

Investments Measured at Amortized Cost	City's Own Investments
Local Government Investment Pool	74,950,067
Total Investments Measured at Amortized Cost Cash Equivalents Statement of Net Position	$ 74,950,067

Investments in the Local Government investment Pool (LGIP)

The City is a participant in the Local Government Investment Pool (LGIP) as authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized costs which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

As of December 31, 2024, the City held $74,950,067 of investments at amortized cost in the LGIP. Average days to maturity of the LGIP was 24 days.

The Office of the State Treasurer prepares a stand-along LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, or online at http://www.tre.wa.gov.

2. Investments Measured at Fair Value

The City measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities
Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
Level 3: Unobservable inputs for an asset or liability

		Fair Value Measurements Using		
Investments by Fair Value Level	Fair Value 12/31/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasury Notes	$ 4,186,082	$ -	$ 4,186,082	$ -
Federal National Mortgage Association	1,964,857	-	1,964,857	-
Federal Farm Credit Bank	1,943,625	-	1,943,625	-
Federal Home Loan Bank	944,598	-	944,598	-
Investments by Fair Value Level	$ 9,039,162	$ -	$ 9,039,162	$ -

Investments Not Subject to Catergorization	
Clark County Investment Pool	$ 9,932,454
Total not subject to categorization	9,932,454
Total Investments	$ 18,971,616

Investments in the Clark County Investment Pool (CCIP)

The City is a participant in the Clark County Investment Pool (CCIP), an external investment pool. The City reports its investment in the pool at the fair value amount, which is the same as the value of the pool per share. The responsibility for managing the pool resides with the county treasurer per RCW 36.29.022. Regulatory oversight is provided by the finance committee which, by statute, consists of the county treasurer, the county auditor, and the chair of the Board of County Commissioners. The CCIP does not have a credit rating.

As of December 31, 2024, the City held $9,932,454 of investments at fair value in the CCIP. Weighted average days to maturity of the CCIP was 456 days.

Additional information on the CCIP is at www.clark.wa.gov/treasurer.

Investments with the Federal National Mortgage Association

The City invests with debt securities through US Bank safekeeping. The City holds one security with the Federal National Mortgage Association. The Federal National Mortgage Association had a credit rating of AA+ from Standard and Poor as of December 31, 2024.

Investments with the Federal Farm Credit Bank

The City invests with debt securities through US Bank safekeeping. The City holds one security with the Federal Farm Credit Bank. The Federal Farm Credit Bank had a credit rating of AA+ from Standard and Poor as of December 31, 2024.

Investments with the Federal Home Loan Bank

The City invests with debt securities through US Bank safekeeping. The City holds one security with the Federal Home Loan Bank. The Federal Home Loan had a credit rating of AA+ from Standard and Poor as of December 31, 2024.

Investments with U.S. Treasury

The City invests with debt securities through US Bank safekeeping. The holds two securities with the U.S. Treasury. The U.S. Treasury had a credit rating of AA+ from Standard and Poor as of December 31, 2024.

NOTE 4 - CAPITAL ASSETS, DEPRECIATION, AND AMORTIZATION

A. Capital assets activity for the year ended December 31, 2024 is as follows:

	Beginning Balance 01/01/2024	Increases	Decreases	Ending Balance 12/31/2024
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 16,015,549	$ 189,058		$ 16,204,607
Construction in progress	3,746,787	2,806,925	33,839	6,519,873
Total capital assets, not being depreciated	19,762,336	2,995,983	33,839	22,724,480
Capital assets, being depreciated/depleted:				
Buildings	16,099,779			16,099,779
Machinery & Equipment	4,584,205	1,480,111	381,686	5,682,630
Infrastructure	113,891,583	3,712,504		117,604,087
Improvements other than buildings	1,448,967			1,448,967
Total capital assets being depreciated	136,024,534	5,192,615	381,686	140,835,463
Less accumulated depreciation for:				
Buildings	7,223,471	441,727		7,665,198
Machinery & Equipment	3,287,085	222,283	381,686	3,127,682
Infrastructure	75,093,640	1,088,718		76,182,358
Improvements other than buildings	887,029	73,033		960,062
Total accumulated depreciation	86,491,225	1,825,761	381,686	87,935,300
Total capital assets, being depreciated, net	49,533,309	3,366,854	-	52,900,163
Right to use assets, being amortized:				
Intangible Asset - leases	67,861	-	-	67,861
Intangible asset - SBITA	114,362	-	-	114,362
Total right to use assets being amortized	182,223	-	-	182,223
Less accumulated amortization for:				
Right to use assets				
Intangible asset - leases	20,244	13,420		33,664
Intangible asset - SBITA	85,973	11,284		97,257
Total accumulated amortization	106,217	24,704	-	130,921
Total capital assets, being amortized, net	76,006	(24,704)	-	51,302
Governmental activities capital assets, net	$ 69,371,651	$ 6,338,133	$ 33,839	$ 75,675,945

	Beginning Balance 01/01/2024	Increases	Decreases	Ending Balance 12/31/2024
Business-type Activities				
Capital assets, not being depreciated				
Land	$ 4,798,109	$	19,428	$ 4,778,681
Construction in progress	1,649,079	3,147,497	721,492	4,075,084
Total capital assets, not being depreciated	6,447,188	3,147,497	740,920	8,853,765
Capital assets, being depreciated/depleted:				
Buildings	1,854,755	72,642		1,927,397
Machinery and equipment	989,402	97,320	13,971	1,072,751
Infrastructure	94,091,429	6,340,746	19,834	100,412,341
Improvements other than buildings	32,884			32,884
Intangible assets	18,535,576			18,535,576
Total capital assets being depreciated	115,504,046	6,510,708	33,805	121,980,949
Less accumulated depreciation for:				
Buildings	675,096	46,672		721,768
Machinery and equipment	691,094	39,785	13,971	716,908
Infrastructure	36,379,416	2,400,592	17,750	38,762,258
Improvements other than buildings	14,798	1,644		16,442
Intangible assets	14,087,032	1,112,130		15,199,162
Total accumulated depreciation	51,847,436	3,600,823	31,721	55,416,538
Total capital assets, being depreciated, net	63,656,610	2,909,885	2,084	66,564,411
Right to use assets, being amortized:				
Intangible asset - SBITA	63,627			63,627
Total right to use assets being amortized	63,627	-	-	63,627
Less accumulated amortization for:				
Right to use assets				
Intangible asset - SBITA	15,281	15,690		30,971
Total accumulated amortization	15,281	15,690	-	30,971
Total capital assets, being amortized, net	48,346	(15,690)	-	32,656
Business-type activities capital assets, net	$ 70,152,144	$ 6,041,692	$ 743,004	$ 75,450,832

Depreciation expense charged to programs of the primary government is as follows:

Governmental Activities		
General Government	$	383,212
Public Safety		156,337
Physical Environment		8,363
Transportation		928,481
Culture and Recreation		374,072
Total Depreciation - Governmental Activities	$	1,850,465

Business-type Activities		
Storm Drainage	$	492,266
Water		997,881
Sewer		2,126,369
Total Depreciation -Business-Type Activities	$	3,616,516

A. Intangible asset

The City recognizes its future sewer treatment capacity rights in the Discovery Clean Water Alliance's Salmon Creek Treatment Plant. The City recorded an intangible asset of $18,535,576 upon completion of expansion phases IV of the Salmon Creek Wastewater Treatment Facility for future capacity. See Note 16.

B. Capital Construction Commitments

The City has outstanding contractual commitments, which include construction contracts for capital projects currently in progress. Of the commitments listed, the City has funding for all projects from state and federal grants along with fund balance. The City's total outstanding contract obligations are as follows:

Project	Fund	Project to Date	Remaining Commitment
Governmental type construction projects			
Capain Strong & Chief Umtuch School Zone Update	Capital	$ 173,616	$ 22,911
Kiwanis / McConnell Picnic Shelter Addition	Capital	295,090	1,001,102
NW 12th Ave/NW 1st St. Improvements	Capital	515,782	112,407
Police Station - HVAC Replacement	Capital	547,988	11,564
Small Cities ATMS	Capital	335,762	5,025
SR 503 Shared Use Pathway	Capital	870,097	139,780
SR 503/Onsdorff Intx Improvements	Capital	195,831	45,977
2024 ADA Ramp Replacement	Streets	380,282	130,118
2024 Street Preservation Program	Streets	539,826	592,334
Business type construction projects			
EQ Basin Expansion & SRS	Sewer	1,522,367	60,533
NE 92nd Ave Pump Station	Sewer	1,139,843	2,729,871
Well #6 Treatment Installation	Water	1,054,147	136,989
Wellhouse #1 Damage Repair	Water	4,462	1,617
1.46 MG Reservoir	Water	785,809	5,588,480
Well # 12 Installation	Water	46,061	43,721
Total		$ 8,406,963	$ 10,622,429

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These transfers are classified as “other financing sources or uses” in the fund statements. Interfund transfers are used to 1) fund construction and maintenance projects, 2) move certain revenue sources to debt service funds for principal and interest payments, and 3) move unrestricted general fund revenues to finance various programs that the City must account for in other funds in accordance with laws, regulations, or contracts. There were no significant transfers made during the year that do not occur on a routine basis or that are inconsistent with the activities of the fund making the transfer. The interfund transfer activity for the year is as follows:

		Transfers Out				
		General Fund	Street Fund	Real Estate Excise Tax Fund	Other Governmental Funds	Total Transfers
Transfers In	General Fund	-	-	-	277,589	277,589
	Street Fund	2,380,000	-	-	-	2,380,000
	Capital Projects Fund	391,986	264,210	691,560	728,728	2,076,484
	Other Governmental Funds	-	-	-	450,956	450,956
	Water Fund	1,776,238	-	-		1,776,238
	Sewer Fund	316,898	-	-	-	316,898
	Total	**$ 4,865,122**	**$ 264,210**	**$ 691,560**	**$ 1,457,273**	**$ 7,278,165**

The City uses the General Fund to pay the City's Capital Fund expenditures which are reimbursable by state and federal grants. This is short term in nature and the balances are shown as Due to Other Funds and Due From Other Funds on the fund statements for $742,189.

NOTE 6 – LEASES

A. City as Lessor

At December 31, 2024, the City had three lease receivables in which it is acting as Lessor. During 2024, the City recognized $60,857 in lease principal payments and $6,112 in lease interest revenue. The City utilizes the interest method to amortize its deferred inflow.

The Governmental Activities has three leases, two for office space at Battle Ground City Hall, and one for city owned ball fields.

City Hall Office Space (2): Ends: June 30, 2028 Setember 30, 2032 Period Payments: Monthly

Ball Fields: Ends: December 31, 2029 Period Payments: Monthly

The City's schedule of future payments included in the measurement of the lease receivable is as follows:

Lease Receivables

Governmental Activities

	Principal	Interest	Total Requirements
2025	30,486	5,529	36,015
2026	32,187	4,603	36,790
2027	33,783	3,625	37,408
2028	26,822	2,654	29,476
2029	19,441	1,982	21,423
2030-2032	49,015	2,321	51,336
	$ 191,734	$ 20,714	$ 212,448

City as Lessee

At December 31, 2024, the City has two leases in which it is acting as the Lessee for office equipment. Refer to Note 4, Capital Assets, for information related to the Right to Use assets accounted for through these leases.

The Governmental Activities has two leases for equipment. The lease information is as follows:

Copiers:	Ends: February 3, 2027 June 2, 2028	Period Payments: Monthly

The City's schedule of future payments included in the measurement of the lease payable is as follows:

Lease Payables

Governmental Activities

	Principal	Interest	Total Requirements
2025	13,576	395	13,971
2026	13,736	235	13,971
2027	5,076	96	5,172
2028	1,810	10	1,820
	$ 34,198	$ 736	$ 34,934

NOTE 7 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

At January 1, 2024, the City used its SBITA policy to evaluate financial agreements that are potential SBITAs. At December 31, 2024, the City has two SBITA liabilities for its human resources software and public works asset management software. The human resource software agreement is for a noncancellable term of 1 year with auto renewals of the same duration until the City gives notice to cancel 30 days before the end of the period. The City has assumed it will exercise two options to renew in the calculation of the liability. The public works asset management software is for a noncancellable term of five years at which point the agreement becomes mutually cancellable thereby the initial 5 years is what was used in the calculation of the liability. The City's schedule of future payments included in the measurement of the SBITA payables is as follows:

SBITA Payables

Governmental Activities

	Principal	Interest	Total Requirements
2025	11,590	460	12,050
2026	5,514	148	5,662
	$ 17,104	$ 608	$ 17,712

Business Type Activities

	Principal	Interest	Total Requirements
2025	16,111	876	16,987
2026	16,547	444	16,991
	$ 32,658	$ 1,320	$ 33,978

Total outflows related to variable payments not included in the SBITA liability were $0 during the fiscal year.

NOTE 8 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by City council, and financed from general revenues.

The City had $2,360,000 in outstanding direct placement general obligation bonds (non-voted) as of December 31, 2024. The full faith, credit, and resources of the City are pledged for the annual levy and collection of taxes and the prompt payment of the interest and principle of all the direct placement obligation bonds as they become due.

Name of Issue	Governmental Purpose	Amount Issued	Issue Date	Maturity Date	Interest Rate	Outstanding 12/31/2024
2010B LTGO Bonds	Road Improvements	4,280,000	12/8/2010	12/1/2030	6.25%-7.0%	2,360,000
Total LTGO Bonds		$ 4,280,000				$ 2,360,000

The annual debt service requirements to maturity for the direct placement general obligation bonds are as follows:

2010B Scotton Way Recovery Zone Economic Development Bonds				
	Principal	Interest Rate	Interest	Total Requirements
2025	360,000	6.25%	162,500	522,500
2026	370,000	6.25%	140,000	510,000
2027	385,000	6.25%	114,100	499,100
2028	400,000	6.25%	87,150	487,150
2029	415,000	6.25%	59,150	474,150
2030	430,000	7.00%	30,100	460,100
	$ 2,360,000		$ 593,000	$ 2,953,000

B. Revenue Bonds

Water and/or sewer revenue bonds are issued to finance capital projects. Revenue bonds are created by ordinance and adopted by the City council. The City pledges income derived from the acquired or constructed assets to pay debt service.

Restricted assets in the sewer fund contain an amount equal to the sum of one annual installment of the bond as required by bond indenture. The Sewer Revenue bonds are revenue-secured by the net revenues from the sewer facilities.

In addition to being secured by the full faith and credit obligation of the City, the Water Revenue bonds are also revenue-secured by the revenue from the sanitary sewer disposal system, reduced by the costs of maintenance and operation. Should default occur the Water Revenue bonds will incur an increase in interest of three percentage points. Prepayment of the bonds is in accordance with the specified schedule in the bond agreement.

Direct placement Revenue bonds outstanding at year-end are as follows:

Name of Issue	Purpose	Amount Issued	Issue Date	Maturity Date	Interest Rate	Outstanding 12/31/2024
2012 Revenue Bonds	Sewer Facility	6,909,000	1/25/2012	1/25/2048	3.00%	4,925,145
2015 Revenue Bonds	Water Meters	2,774,409	5/7/2015	5/7/2030	3.26%	1,392,758
		$ 9,683,409				$ 6,317,903

Annual debt service requirements to maturity for these bonds are as follows:

Direct Placement - 2012 Sewer Revenue Bonds			
	Principal	Total Interest	Requirements
2025	151,149	146,629	297,778
2026	155,717	142,061	297,778
2027	160,424	137,354	297,778
2028	165,273	132,505	297,778
2029	170,268	127,510	297,778
2030-2034	931,718	557,173	1,488,891
2035-2039	1,081,297	407,594	1,488,891
2040-2044	1,254,888	234,001	1,488,889
2045-2048	854,411	45,762	900,173
	$ 4,925,145	$ 1,930,589	$ 6,855,734

Direct Placement - 2015 Water Revenue Bonds			
	Principal	Total Interest	Requirements
2025	220,077	42,761	262,838
2026	234,656	35,410	270,066
2027	249,916	27,576	277,492
2028	265,889	19,235	285,124
2029	279,123	10,379	289,502
2030	143,097	1,751	144,848
	$ 1,392,758	$ 137,112	$ 1,529,870

C. Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury of investment income received at yields that exceed the issuer's tax-exempt borrowing rates. As of December 31, 2024, the City has no arbitrage rebate liability.

D. Changes in Long-Term Liabilities

Long-term liability activity of the City for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 2,705,000	$ -	$ (345,000)	$ 2,360,000	$ 360,000
Total bonds payable	2,705,000	-	(345,000)	2,360,000	360,000
Leases	47,617		(13,419)	34,198	13,576
SBITA's payable	28,389		(11,285)	17,104	11,590
Compensated absences (1)	1,137,353	158,147		1,295,500	688,233
Total OPEB Liability	1,793,227		(2,489)	1,790,738	71,406
Net Pension Liability	471,587	-	(56,956)	414,631	-
Long-term liabilities	$ 6,183,173	$ 158,147	$ (429,149)	$ 5,912,171	$ 1,144,805
Business-type Activities					
SBITA's payable	48,346	-	(15,688)	32,658	16,111
Revenue bonds	6,866,329	-	(548,426)	6,317,903	371,226
Compensated absences (1)	214,966	48,827	-	263,793	139,968
Net Pension Liability	169,678	-	(63,677)	106,001	-
Asset Retirement Obligation	201,974	7,069	-	209,043	-
Long-term liabilities	$ 7,501,293	$ 55,896	$ (627,791)	$ 6,929,398	$ 527,305

(1) The change in the compensated absences is a net change, not an actual increase or decrease in the liability.

For governmental activities, compensated absences, net pension liability, and other post-employment benefit (OPEB) liability are liquidated by operating funds, such as the General Fund and Street Fund.

NOTE 9 – RISK MANAGEMENT

City of Battle Ground is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 168 members. In the past three years, any settlements have not exceeded insurance coverage.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, with a $1,000 auto deductible and $5,000 property deductible. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are $4 million per occurrence in the self-insured layer, and $16 million in limits above the self-insured layer is provided by reinsurance. Total limits are $20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to $1 million and subject to member deductibles, sublimits, and a $5 million pool aggregate. Premises pollution liability provides Members with a $2 million incident limit and $10 million pool aggregate subject to a $100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to $1,000,000, for all perils other than flood and earthquake, and insured above that to $400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to $250,000 and insured above that to $100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

NOTE 10 – PROPERTY TAXES

The Clark County Treasurer acts as an agent to collect property tax levied in the county for all taxing authorities.

Property Tax Calendar	
January 1	Tax is levied and becomes an enforceable lien against properties
February 14	Tax bills are mailed
April 30	First of two equal installment payments is due
May 31	Assessed value of property established for next year's levy at 100 percent of market value
October 31	Second installment is due

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The City may levy up to $3.60 per $1,000 of assessed valuation for general governmental services, subject to limitations by the Washington State Constitution and the Revised Code of Washington 84.55.0410.

The City's regular levy for 2024 collections was $1.02 per $1,000 on an assessed valuation of $4,051,531,743 for a total regular levy of $4,113,269.

NOTE 11 – PENSION PLANS

A. Employee Retirement Systems and Pension Plan

The following table represents the aggregate pension amounts for all plans for the year 2024:

Aggregate Pension Amounts – All Plans	
Pension liabilities	$ 520,631
Pension assets	2,639,086
Deferred outflows of resources	3,426,906
Deferred inflows of resources	1,072,004
Pension expense/expenditures	37,170

State Sponsored Pension Plans
Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)
PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members

were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The PERS 1 and PERS 2/3 employer contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits

The PERS Plan defined benefit required contribution rates (expressed as a percentage of covered payroll) for fiscal year were as follows:

Employer Contribution Rates				
Time Frame	*Contribution Rate*	*PERS 1 UAAL*	*Administrative Fee*	*Employer*
January – June	6.36%	2.97%	0.20%	9.53%
July – August	6.36%	2.47%	0.20%	9.03%
September - December	6.36%	2.55%	0.20%	9.11%

Employee Contribution Rates	
PERS 1	6.00%
PERS 2	6.36%
PERS 3	Varies: 5% to 15%

The City's actual PERS plan contributions were $175,950 to PERS Plan 1 and $407,771 to PERS Plan 2/3 for the year ended December 31, 2024.

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF was established in 1970, and its retirement benefit provisions are contained in Chapter 41.26 RCW. LEOFF membership includes all of the state's full-time, fully compensated, local law enforcement commissioned officers, fire fighters and, as of July 24, 2005, emergency medical technicians.

LEOFF is a cost-sharing, multiple-employer retirement system composed of two separate pension plans for both membership and accounting purposes. Both LEOFF plans are defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest-paid consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include a COLA. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute 0%, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2024. Employers paid only the administrative expense of 0.20% of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the FAS per year of service (the FAS is based on the highest-paid consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50 – 52, the reduction is 3% for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include a COLA (based on the CPI), capped at 3% annually. LEOFF 2 members are vested after the completion of five years of eligible service.

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The rates are adopted by the LEOFF Plan 2 Retirement Board and are subject to change by the Legislature.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41%.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for the fiscal year were as follows:

Employer Contribution Rates				
Employer Type	*Time Frame*	*Contribution Rate*	*Admin Fee*	*Employer*
State and Local Governments	January – December	5.12%	0.20%	5.32%
Ports & Universities	January - December	8.53%	0.20%	8.73%

The employee contribution rate was 8.53%.

The City's actual contributions to the plan were $170,308 for the year ended December 31, 2024.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Office of the State Actuary and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2024, the state contributed $96,422,231 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is $103,227.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2023 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2024. Plan liabilities were rolled forward from June 30, 2023, to June 30, 2024, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases**: In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis;

meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Assumptions did not change from the prior contribution rate setting June 30, 2022 Actuarial Valuation Report (AVR). OSA adjusted their methods for calculating UAAL contribution rates in PERS 1 to reflect the delay between the measurement date of calculated Plan 1 rates and when the rates are collected. OSA made an adjustment to their model to reflect past inflation experience when modeling future COLAs for current annuitants in all plans except PERS1.

Discount Rate
The discount rate used to measure the total pension liability for all DRS plans was 7.0 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0 percent was used to determine the total liability.

Long-Term Expected Rate of Return
The long-term expected rate of return on the DRS pension plan investments of 7.0% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class
The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Sensitivity of the Net Pension Liability/(Asset)
The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease 6.00%	Current Rate 7.00%	1% Increase 8.00%
PERS 1	765,836	520,631	305,581
PERS 2/3	2,255,434	(1,251,151)	(4,131,031)
LEOFF 1	(151,422)	(172,055)	(190,049)
LEOFF 2	805,537	(1,215,880)	(2,869,338)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported its proportionate share of the net pension liabilities (assets) as follows:

Plan	Liability or Asset
PERS 1	520,631
PERS 2/3	(1,251,151)
LEOFF 1	(172,055)
LEOFF 2	(1,215,880)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
LEOFF - employer's proportionate share	(172,055)	(1,215,880)
LEOFF - State's proportionate share of the net pension asset associated with the employer	(1,163,778)	(789,041)
Total	(1,335,833)	(2,004,921)

At June 30, the City's proportionate share of the collective net pension liabilities or assets was as follows:

	Proportionate Share 6/30/23	Proportionate Share 6/30/24	Change in Proportion
PERS 1	0.02809%	0.02930%	0.00121%
PERS 2/3	0.03623%	0.03795%	0.00173%
LEOFF 1	0.00587%	0.00605%	0.00018%
LEOFF 2	0.06897%	0.06493%	-0.00404%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2024 are used as the basis for determining each employer's proportionate share of the collective pension

amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2024. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12% percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2024, the state of Washington contributed 39% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61% of employer contributions.

Pension Expense

For the year ended December 31, 2024, the City recognized pension expense as follows:

	Pension Expense
PERS 1	23,221
PERS 2/3	(71,864)
LEOFF 1	(2,799)
LEOFF 2	88,612
Total	37,170

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	$ -	$ (41,660)
Contributions subsequent to the measurement date	81,740	-
Total	$ 81,740	$ (41,660)
PERS 2/3	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 710,929	$ (2,897)
Net difference between projected and actual investment earnings on pension plan investments	-	(358,543)
Changes of assumptions	690,887	(79,273)
Changes in proportion and differences between contributions and proportionate share of contributions	16,361	(86,755)
Contributions subsequent to the measurement date	206,027	-
Total	$ 1,624,204	$ (527,468)
LEOFF 1	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Net difference between projected and actual investment	$ -	$ (6,503)

earnings on pension plan investments		
Total	$ -	$ (6,503)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 894,865	$ (9,253)
Net difference between projected and actual investment earnings on pension plan investments	-	(200,044)
Changes of assumptions	500,531	(102,201)
Changes in proportion and differences between contributions and proportionate share of contributions	232,630	(184,875)
Contributions subsequent to the measurement date	92,936	-
Total	$ 1,720,962	$ (496,373)

TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,605,794	$ (12,150)
Net difference between projected and actual investment earnings on pension plan investments	-	(606,750)
Changes of assumptions	1,191,418	(181,474)
Changes in proportion and differences between contributions and proportionate share of contributions	248,991	(271,630)
Contributions subsequent to the measurement date	380,703	-
Total	$ 3,426,906	$ (1,072,004)

Deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	PERS 1	PERS 2/3	LEOFF 1	LEOFF 2
2025	$ (68,944)	$ (292,093)	$ (10,934)	$ (148,269)
2026	35,420	536,251	5,665	320,633
2027	(3,750)	230,740	(544)	137,994
2028	(4,386)	224,755	(690)	147,226
2029	-	103,932	-	177,227
Thereafter	-	87,124	-	496,840

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS

The following table represents the aggregate other postemployment benefits other than pension amounts for the City's single employer plan for the year 2024:

OPEB Liabilities	$ 1,790,738
Deferred Outflows of Resources – OPEB	35,703
OPEB expense/expenditures	62,956

Plan Description

The City administers a single-employer Other Post Employment Benefit plan, which provides all health insurance benefits for retired public safety employees who are vested in LEOFF I. All City LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the City. The City has used the alternative measurement method.

There are three participants eligible to receive these benefits. There are currently no members actively employed at the City who are not yet receiving LEOFF I medical benefits. The benefits are 100 percent provided by the City in order to meet state statutory requirements under the LEOFF I system and provided pursuant to RCW 41.20 and 41.26, whereby the City pays their medical and dental premiums and out-of-pocket medical costs for life. This plan is closed to new entrants.

At December 31, 2024, the following retirees were covered by the benefit terms:

Active employees	0
Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefit payments	0
Total	3

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

Actuarial Assumptions and Other Input

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about retirement ages, mortality and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The City's total OPEB liability of $1,790,738 was measured as of June 30, 2024 with a valuation date of June 30, 2024. The alternative method permitted under GASB 75 was used to calculate the liability instead of an actuarial valuation. The Entry Age actuarial cost method and the recognized immediately amortization method were used in this calculation. There are no assets in this plan, therefore, no asset valuation method was used.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement period, unless otherwise specified, at June 30, 2024:

Discount rate – Beginning of Measurement year	3.65%
Discount Rate – End of Measurement Year	3.93%
Healthcare Trend Rates	Initial rate ranges from about 2-8.6%, reaching an ultimate rate of approximately 3.8% in 2090
Inflation Rate	2.75%
Post-Retirement Participation Percentage	100%

The source of the discount rate is the Bond Buyer General Obligation 20- Bond Municipal Index.

Mortality rates were based on the PubS. H-2010 healthy and disabled tables. The Society of Actuaries publishes this document. The Washington State Actuary applied offsets to the base table and recognized future improvements in mortality by projections using RPEC MP-2017 long-term rates. A negative one-year age setback was applied for healthy individuals; no age offset was applied for disabled participants. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

Other assumptions are as follows:

- It was assumed all remaining active members will retire immediately following the measurement date.
- Each cohort is assumed to be 100% male.
- All retired participants are assumed to be covered by Medicare.

All other non-healthcare economic and demographic assumptions are consistent with those presented in the 2022 LEOFF 1 OPEB actuarial valuation report.

Sensitivity of the Total OPEB Liability

An analysis was performed of the impact of changing the Healthcare Trend and Discount rate assumptions by 100 basis points. The following tables present the total OPEB liability of the City at December 31, 2024, adjusted for that assumption change.

Health Care Trend Rate Sensitivity		
1% Decrease	Current Health Care Trend Rate	1% Increase
$ 1,610,880	$ 1,790,738	$ 1,998,593

Discount Rate Sensitivity		
1% Decrease	Current Discount Rate	1% Increase
$ 2,011,096	$ 1,790,738	$ 1,604,363

Changes in the Total OPEB Liability

At the measurement date June 30, 2024, the changes in the total OPEB liability are as follows:

Service cost	$ -
Interest Cost	64,269
Changes in assumptions	(1,313)
Benefit payments	(65,445)
Net change in total OPEB liability	(2,489)
Total OPEB liability - beginning	1,793,227
Total OPEB Liability - ending	$ 1,790,738

The City reported $62,956 as OPEB expense for the calendar year 2024.

At December 31, 2024, the City reported deferred outflows of resources only for deferred outflows subsequent to the measurement date in the amount of $35,703. This will be recognized as reduction of the OPEB liability in the period ending December 31, 2025.

NOTE 13 – HEALTH AND WELFARE

The City of Battle Ground is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2024, 268 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2024, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of $2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 14 – CONTINGENCIES AND LITIGATION

The City has recorded in its financial statements all material liabilities based on available information. In the opinion of management, the City's insurance policies are adequate to pay all known or pending claims.

The City participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

NOTE 15 - RECEIVABLE BALANCES

Amounts are aggregated into a single accounts receivable line for governmental activities on the *Statement of Net Position.* Below is the detail of receivables for the general, non-major governmental funds and internal service funds in the aggregate:

Receivables	General	Real Estate Excise Tax	Streets	Capital Projects	Nonmajor Govern-mental	Internal Service Funds	Total Governmental Activities
Accounts	79,452	-	29	-	-	-	79,481
Property taxes	75,000	-	-	-	-	-	75,000
Sales taxes	1,188,260	-	121,840	-	-	-	1,310,100
Interest	7,445	2,119	572	-	1,651	431	12,218
Motor Vehicle Fuel Tax	-	-	59,469	-	-	-	59,469
Other taxes	735,957	-	-	-	6,322	-	742,279
Municipal court	106,613	-	-	-	-	-	106,613
State shared revenue	46,234	-	-	-	-	-	46,234
State and Federal grants	821,649	-	273,544	1,027,738	-	-	2,122,931
Leases	191,734	-	-	-	-	-	191,734
	$ 3,252,344	$ 2,119	$ 455,454	$ 1,027,738	$ 7,973	$ 431	$ 4,746,059

NOTE 16 – JOINT VENTURE AND JOINTLY GOVERNED ORGANIZATIONS

Joint Venture

Discovery Clean Water Alliance

The Discovery Clean Water Alliance (Alliance) was formed under the Joint Municipal Utility Services Authority Act, Chapter 39.106 RCW. The purpose of the Alliance is to provide cooperative, environmentally sound, and cost-effective municipal wastewater transmission and treatment to participating members. The four Alliance members, Clark County, Clark Regional Wastewater District, City of Battle Ground, and the City of Ridgefield, signed an Interlocal Formation Agreement (IFA) on September 27, 2012. The Alliance was incorporated with the Washington Secretary of State on January 4, 2013 and was fully operational as of January 1, 2015. The Alliance is governed by a Board of Directors (Board) comprised of one elected official appointed from each of the participating members.

Annual regional service charges are paid by the City of Battle Ground to the Alliance. The City's responsibility for regional asset operating costs is based on actual use of regional services during the previous year (or years) as measured by average annual flow. Responsibility for capital costs is based on agreed-upon allocated capacity. The City paid the Alliance regional service charges of $3,827,868 in 2024.

The Alliance has a separate audit and financial information about the Alliance is on their website at www.discoverycwa.org.

Jointly Governed Organization

Clark Regional Emergency Services Agency (CRESA)

In 1975, CRESA was originally created by agreement under the Interlocal Cooperation Act (RCW 39.34) between the City of Battle Ground, Clark County, and various other cities and political districts. CRESA provides regional 911 dispatch services, a regional 800 MHz and conventional radio system and services, and regional emergency management services in all incorporated and unincorporated areas of Clark County. In prior years, the City did not report an equity interest in CRESA as a joint venture since the City's measurable equity interest was not readily determinable.

On October 24, 2017, the Clark County Council approved an Ordinance and Charter establishing CRESA as a Public Development Authority (PDA) under RCW 35.21.730. Bylaws were approved by the CRESA administrative board and revised agreements with founding public agencies and customers were drafted. The City of Battle Ground Council approved this revised agreement for services on January 16, 2018. The administrative board is comprised of nine members appointed by the entities receiving services. The City paid CRESA service charges of $281,454 in 2024.

Financial statements for CRESA can be obtained from CRESA, 710 W. 13th Street, Vancouver, Washington 98660.

NOTE 17 - ASSET RETIREMENT OBLIGATION

An Asset Retirement Obligations (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset that has a substantial cost to a government. An ARO is recognized when the liability is incurred and reasonably estimable. Incurrence of a liability requires both an internal obligating event and an external obligating event resulting from normal operations. An internal obligating event includes acquiring or placing a capital asset into operation. An external obligating event requires federal, state, or

local laws or regulations, a binding contract, or issuance of a court judgement requiring specific actions to retire an asset.

The City owns, operates, and maintains 9 wells with an average useful life remaining of 40 year that the City currently does not foresee decommissioning into the foreseeable future. However, in the unlikely event that the City were to decommission these wells there are specific decommissioning requirements within the Washington Administrative code (WAC) 173-160-381. The City obtained estimates to support these potential decommissioning costs and has a liability at December 31, 2024, of $209,043 and a Deferred Outflow of $140,869. This liability was increased by 3.5%, the December 2024 construction cost increase from the 2024 liability amount. The obligation will be paid from operating income; no assets have been set aside to fund this obligation.

NOTE 18 – OTHER ASSET

The City has entered into an agreement with the Clark Public Utilities (CPU) that will enable CPU to provide additional water supply. The City has agreed to pay CPU an aid to construction charge in the amount of $592,064 for work associated with certain improvements. This payment made by the City will be treated as payments in lieu of the City's future System Development Charges (SDCs) for increased meter capacity. The opportunity to use these in lieu payments for the SDCs on the intertie will expire on January 1, 2030.

NOTE 19 – TAX ABATEMENT

Multifamily Tax Exemption Program

Washington State RCW 84.14 and Battle Ground Municipal Code Chapter 3.45 allow for multiple-family residential building property tax exemptions. The program's purpose is to increase residential opportunities, including affordable housing, in designated urban centers. The City may grant abatements up to eight years for newly constructed or rehabbed residential units, depending on eligibility and City Council approval.

Program eligibility includes:

- Eight-year exemption for projects with 10% of units affordable to households whose monthly housing costs, including utilities, do not exceed 30% of the household's monthly income at the 80% adjusted median income (AMI) level as determined annual by HUD for Clark County with an approved contract with council.

Property owners have three years from the agreement date to obtain an occupancy permit and Certificate of Tax Exemption. Exemptions begin January 1 of the year following the issuance of the Final Certificate of Tax Exemption. The new residential improvements are not added to the tax rolls until the exemption expires. Land and other non-residential improvements remain subject to property taxes.

As of December 31, 2024, the City has entered into one developer agreement for a multi-family housing complex. This project is still in the planning stages, and no tax abatement has occurred as of the date of this report.

NOTE 20 – UNEARNED REVENUE

Developer Credits

Impact fees and system development charges (SDC) are levied at the time of permit issuance. The developer may be entitled to a nonrefundable credit against the applicable fee component for the fair market value of appropriate dedications of land, new construction, or system improvements. If the amount

of the calculated credit is greater than the amount of the fee or charge due, the developer may apply the excess credit toward impact fees or SDC assessed on other developments within the same service area. Impact fee credits are disclosed as a governmental activity and SDC credits as business-type activities in the government-wide financial statements.

Impact Fee Credits	At 1/1/24	Additions	Applied	At 12/31/24
Traffic Impact Fees	$227,329	$455,426	$(303,039)	$ 379,716
Park Impact Fees	22,851	-	-	22,851
	$250,180	$455,426	$(303,039)	$ 402,567
System Development Charge Credits	**At 1/1/24**	**Additions**	**Applied**	**At 12/31/24**
Water SDC credits	$ 932	$ -	$ -	932
Sewer SDC credits	-	226,160	-	226,160
	$ 932	$226,160	$ -	$ 227,092

Grant Revenue

The City has received $5,938,247 for the American Rescue Plan Act of 2021 to date. This federal appropriation was given to state and local governments to offset the long term impacts of the COVID-19 pandemic. As of December 31, 2024 the City has expended $2,667,611 of these funds leaving $3,270,636 in unexpended grant funds. This grant award was given to the City in advance of expending the funds on allowable costs. These funds are reported as restricted assets, see note 1.

NOTE 21 – ACCOUNTING CHANGES AND CHANGE IN ACCOUNTING PRINCIPLE

During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	12/31/2023 As Previously Reported	Change to or within the Financial Reporting Entity (A)	Change in Accounting Principle (B)	12/31/2023 As Restated
Government-Wide				
Governmental Activities	$ 108,124,301	$ -	$ (190,049)	$ 107,934,252
Business-Type Activities	105,949,209	-	(28,630)	105,920,579
Total Primary Government	$ 214,073,510	$ -	$ (218,679)	$ 213,854,831
Governmental Funds				
Major Funds:				
Real Estate Excise Tax Fund	-	7,911,436	-	7,911,436
Nonmajor Funds	14,216,776	(7,911,436)	-	6,305,340
Total Governmental Funds	$ 14,216,776	$ -	$ -	$ 14,216,776
Proprietary Funds				
Major Funds:				
Storm Drainage Fund	$ 22,119,657	$ -	$ (7,907)	22,111,750
Water Fund	32,020,900	-	(14,649)	32,006,251
Sewer Fund	50,683,733	-	(6,074)	50,677,659
Total Proprietary Funds	$ 104,824,290	$ -	$ (28,630)	$ 104,795,660

The City's Real Estate Excise Tax Fund met the qualifications to become a major fund for the City. This is due to the fund balance being held in this fund as the City has not expended the funds at this time.

The City implemented GASB Statement No. 100 and it resulted in a restatement in the City's compensated absences in its Proprietary funds. See Note 22 for more information.

NOTE 22 – ACCOUNTING STANDARDS IMPLEMENTATION

GASB Statements

For the fiscal year ended December 31, 2024, the City implemented the following GASB pronouncements:

Adoption of GASB Statement No. 100, Accounting Changes and Error Corrections—an Amendment of GASB Statement 62.

This Statement prescribes financial reporting for accounting changes and corrections of errors with required descriptive note disclosures. The aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position will be displayed by reporting unit in the financial statements, and note disclosures will describe the nature of these adjustments. For periods earlier than those included in the basic financial statements, this statement also requires supplementary or required supplementary information to be restated for error corrections.

Accounting changes include changes in accounting principles, accounting estimates or in the financial reporting entity.

Adoption of GASB Statement No. 101 – Compensated Absences

Effective for the fiscal year ending December 31, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. This Statement establishes standards of accounting and financial reporting for compensated absences and clarifies the recognition and measurement of these liabilities.

As a result of implementing GASB 101, the City recognized an adjustment to the financial statements as of the adoption date as follows:

Statement of Activities:

Governmental Activities ($190,049)
Business Type Activities ($ 28,630)

Statement of Net Position, Proprietary Funds:

Storm Drainage ($ 7,907)
Water ($14,649)
Sewer ($ 6,074)

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BATTLE GROUND
REQUIRED SUPPLEMENTARY INFORMATION - OTHER POSTEMPLOYMENT BENEFITS - LEOFF I
LAST SEVEN CALENDAR YEARS
Total OPEB liability

	Interest	Changes of assumptions or other inputs	Benefit payments	Net change in total OPEB liability	Total OPEB liability beginning	Total OPEB liability ending	Covered employee payroll	Total OPEB liability as a percentage of covered employee payroll
2024	$ 64,269	$ (1,313)	$ (65,445)	$ (2,489)	$ 1,793,227	$ 1,790,738	$ 0	N/A
2023	54,154	236,039	(53,034)	237,159	1,556,068	1,793,227	0	N/A
2022	43,343	(457,110)	(73,194)	(486,961)	2,043,029	1,556,068	0	N/A
2021	43,680	50,501	(54,936)	39,245	2,003,784	2,043,029	0	N/A
2020	55,229	395,359	(49,134)	401,454	1,602,330	2,003,784	0	N/A
2019	65,858	(138,511)	(53,022)	(125,675)	1,728,005	1,602,330	0	N/A
2018	63,170	(69,684)	(59,467)	(65,981)	1,793,986	1,728,005	0	N/A

Notes to schedule

1. Changes of assumptions
Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	3.58%	2022	3.54%
2018	3.87%	2023	3.65%
2019	3.50%	2024	3.93%
2020	2.21%		
2021	2.16%		

2. The City implemented GASB 75 in 2018, therefore no data is presented before then.
Eventually, ten years of data will be presented.

3. All participants in the plan are retired; therefore, there is no covered payroll or service cost.

4. There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability (Asset)

PERS 1

As of June 30

Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.029301%	$ 520,631	$ 5,912,882	8.81%	84.05%
2023	0.028092%	641,265	5,041,197	12.72%	80.16%
2022	0.027809%	774,305	4,539,723	17.06%	76.56%
2021	0.028403%	346,867	4,555,972	7.61%	88.74%
2020	0.026675%	941,772	3,883,769	24.25%	68.64%
2019	0.027849%	1,070,893	3,904,329	27.43%	67.12%
2018	0.029068%	1,298,187	3,883,356	33.43%	63.22%
2017	0.028947%	1,373,558	3,656,273	37.57%	61.24%
2016	0.028463%	1,528,597	3,693,562	41.39%	57.03%
2015	0.029242%	1,529,629	3,351,697	45.64%	59.10%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability (Asset)

PERS 2/3

As of June 30

Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.037953%	$ (1,251,151)	$ 5,912,882	-21.16%	105.17%
2023	0.036228%	(1,484,871)	5,041,197	-29.45%	107.02%
2022	0.036265%	(1,344,989)	4,539,723	-29.63%	106.73%
2021	0.036488%	(3,634,792)	4,555,972	-79.78%	120.29%
2020	0.034735%	444,241	3,883,769	11.44%	97.22%
2019	0.035960%	349,294	3,904,329	8.95%	97.77%
2018	0.037318%	637,172	3,883,356	16.41%	95.77%
2017	0.037233%	1,293,669	3,656,273	35.38%	90.97%
2016	0.036471%	1,836,286	3,693,562	49.72%	85.82%
2015	0.037773%	1,349,651	3,351,697	40.27%	89.20%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground

Schedule of Proportionate Share of the Net Pension Liability (Asset)

LEOFF 1

As of June 30

Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.006050%	$ (172,055)	$ (1,163,778)	$ (1,335,833)	N/A	N/A	168.48%
2023	0.005873%	(174,312)	(1,179,042)	(1,353,354)	N/A	N/A	175.99%
2022	0.005732%	(164,429)	(1,112,193)	(1,276,622)	N/A	N/A	169.62%
2021	0.005579%	(191,112)	(1,292,678)	(1,483,790)	N/A	N/A	187.45%
2020	0.005444%	(102,810)	(695,404)	(798,214)	N/A	N/A	146.88%
2019	0.005327%	(105,294)	(712,206)	(817,500)	N/A	N/A	148.78%
2018	0.005234%	(95,023)	(642,736)	(737,759)	N/A	N/A	144.42%
2017	0.005180%	(78,592)	(531,594)	(610,186)	N/A	N/A	135.96%
2016	0.005107%	(52,617)	(355,898)	(408,515)	N/A	N/A	123.74%
2015	0.005052%	(60,888)	(411,845)	(472,733)	N/A	N/A	127.36%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Proportionate Share of the Net Pension Liability
LEOFF 2
As of June 30
Last Ten Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.064925%	$ (1,215,880)	$ (789,041)	$ (2,004,921)	$ 3,035,368	-40.06%	109.27%
2023	0.068968%	(1,654,265)	(1,056,397)	(2,710,662)	2,966,264	-55.77%	113.17%
2022	0.070612%	(1,919,021)	(1,243,100)	(3,162,121)	2,791,632	-68.74%	116.09%
2021	0.063264%	(3,674,635)	(2,370,541)	(6,045,176)	2,439,355	-150.64%	142.00%
2020	0.061507%	(1,254,653)	(802,256)	(2,056,909)	2,275,632	-55.13%	115.83%
2019	0.068791%	(1,593,676)	(1,043,644)	(2,637,320)	2,366,778	-67.34%	119.43%
2018	0.069907%	(1,419,264)	(919,416)	(2,338,680)	2,326,869	-60.99%	118.50%
2017	0.067405%	(935,363)	(606,753)	(1,542,116)	2,109,925	-44.33%	113.36%
2016	0.068973%	(401,168)	(261,532)	(662,700)	2,255,979	-17.78%	106.04%
2015	0.072053%	(740,561)	(489,682)	(1,230,243)	2,091,273	-35.41%	111.67%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Employer Contributions
PERS 1
For the Year Ending December 31
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	$ 175,950	$ (175,950)	$ -	$ 6,411,484	2.74%
2023	183,610	(183,610)	-	5,423,618	3.39%
2022	175,770	(175,770)	-	4,678,704	3.76%
2021	191,467	(191,467)	-	4,459,857	4.29%
2020	203,306	(203,306)	-	4,237,877	4.80%
2019	194,124	(194,124)	-	3,925,573	4.95%
2018	198,244	(198,244)	-	3,915,896	5.06%
2017	184,536	(184,536)	-	3,764,693	4.90%
2016	168,403	(168,403)	-	3,530,474	4.77%
2015	148,282	(148,282)	-	3,382,133	4.38%

City of Battle Ground
Schedule of Employer Contributions
PERS 2/3
For the Year Ending December 31
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	$ 407,771	$ (407,771)	$ -	$ 6,411,484	6.36%
2023	344,943	(344,943)	-	5,423,618	6.36%
2022	297,566	(297,566)	-	4,678,704	6.36%
2021	318,620	(318,620)	-	4,459,857	7.14%
2020	335,641	(335,641)	-	4,237,877	7.92%
2019	303,049	(303,049)	-	3,925,573	7.72%
2018	293,681	(293,681)	-	3,915,896	7.50%
2017	258,577	(258,577)	-	3,764,693	6.87%
2016	219,948	(219,948)	-	3,530,474	6.23%
2015	190,375	(190,375)	-	3,382,133	5.63%

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Battle Ground
Schedule of Employer Contributions
LEOFF 2
For the Year Ending December 31
Last Ten Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2024	$ 170,308	$ (170,308)	$ -	$ 3,236,581	5.26%
2023	158,451	(158,451)	-	3,021,068	5.24%
2022	153,000	(153,000)	-	2,907,388	5.26%
2021	135,928	(135,928)	-	2,599,558	5.23%
2020	118,396	(118,396)	-	2,276,264	5.20%
2019	124,743	(124,743)	-	2,347,732	5.31%
2018	125,335	(125,335)	-	2,387,329	5.25%
2017	113,887	(113,887)	-	2,207,554	5.16%
2016	106,584	(106,584)	-	2,110,577	5.05%
2015	104,689	(104,689)	-	2,073,049	5.05%

City of Battle Ground

Notes to Required Supplemental Information - Pension

As of December 31

Last Ten Fiscal Years

Note 1: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

Note 2: Covered payroll

Covered payroll has been presented in accordance with GASB 82, *Pension Issues.* Covered payroll includes all payroll on which a contribution is based.

Note 3: Change in contribution rate

Rates in effect during the periods covered by the Required Supplemental Information are below:

PERS 1, PERS 2/3

From this Date	Through this Date	Employer Rate	
9/1/2013	6/30/2015	9.21%	
7/1/2015	6/30/2017	11.18%	
7/1/2017	8/31/2018	12.70%	
9/1/2018	6/30/2019	12.83%	
7/1/2019	8/31/2020	12.86%	
9/1/2020	6/30/2021	12.97%	
7/1/2021	8/31/2022	10.25%	
9/1/2022	6/30/2023	10.39%	
7/1/2023	8/31/2023	9.39%	
9/1/2023	6/30/2024	9.53%	
7/1/2024	8/31/2024	9.03%	
9/1/2024	Currrent	9.11%	*

* Employer contribution rate includes an administrative expense rate of 0.20%

LEOFF 1

From this	Through this	Employer	
7/1/2008	8/31/2013	0.16%	
9/1/2013	8/31/2023	0.18%	
9/1/2023	current	0.20%	*

* Employer contribution rate includes an administrative expense rate of 0.20%

LEOFF 2

From this Date	Through this Date	Employer Rate
9/1/2013	6/30/2017	5.23%
7/1/2017	6/30/2019	5.43%
7/1/2019	6/30/2021	5.33%
7/1/2021	8/31/2023	5.30%
9/1/2023	current	5.32% *

* Employer contribution rate includes an administrative expense rate of 0.20%
Effective July 1, 2021, LEOFF employers must pay an additional 3.41% to pick up the state contributions on basis of salary paid for services rendered to non-LEOFF employers.

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Governmental Funds

Special Revenue Funds

Drug Investigation Reserve Fund – accounts for funds that are restricted by state law for use in drug related policing activities

Lodging Tax Reserve Fund – accounts for receipts from a hotel/motel tax used for promotion of tourism in the city

Capital Project Funds

Transportation Impact Fee Fund – accounts for traffic impact fees that are assessed and collected at the time of development and are expended to build or expand capacity that is required as a result of development.

Park Impact Fee Fund – accounts for revenue from the parks impact fees that are assessed and collected at the time of development and that are expended to build or expand park capacity that is required as a result of development.

Debt Service Fund

The Debt Service Fund accounts for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources, special assessment bond principal and interest from special assessment levies, and other debt when the government is obligated in some manner for the payments.

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2024

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and Cash Equivalents	$ 296,602	$ 6,185,265	$ -	$ 6,481,867
Investments	34,886	727,516	-	762,402
Accounts Receivable	6,322	-	-	6,322
Interest Receivable	76	1,575	-	1,651
Total Assets	337,886	6,914,356	-	7,252,242
Liabilities				
Accounts Payable	64,096	7,927	-	72,023
Total Liabilities	64,096	7,927	-	72,023
Fund Balances				
Restricted for:				
Capital	-	6,906,429	-	6,906,429
Drug Investigation	12,026	-	-	12,026
Tourist Promotion	261,764	-	-	261,764
Total Fund Balances	273,790	6,906,429	-	7,180,219
Total Liabilities and Fund Balance	$ 337,886	$ 6,914,356	$ -	$ 7,252,242

CITY OF BATTLE GROUND
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Fiscal Year Ended December 31, 2024

	Combined Special Revenue Funds	Combined Capital Project Funds	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues				
Other Taxes	$ 81,838	$ -	$ -	$ 81,838
Charges for Services	-	2,007,514	-	2,007,514
Fines and Forfeits	262	-	-	262
Interest Earnings	16,978	353,013	-	369,991
Contributions/Donations	-	-	78,107	78,107
Total Revenues	99,078	2,360,527	78,107	2,537,712
Expenditures				
Current:				
Economic Environment	92,142	-	-	92,142
Capitalized Expenditures				
Security/Persons and Property	35,311	-	-	35,311
Debt Service				
Principal Retirement	-	-	345,000	345,000
Interest/Fiscal Charges	-	-	184,063	184,063
Total Expenditures	127,453	-	529,063	656,516
Excess (Deficiency) of Revenues Over (Under) Expenditures	(28,375)	2,360,527	(450,956)	1,881,196
Other Financing Sources (Uses)				
Transfers In	-	-	450,956	450,956
Transfers Out	-	(1,457,273)	-	(1,457,273)
Total Other Financing Sources and Uses	-	(1,457,273)	450,956	(1,006,317)
Net Change in Fund Balance	(28,375)	903,254	-	874,879
Fund Balance at Beginning of Year	302,165	6,003,175	-	6,305,340
Fund Balance at End of Year	$ 273,790	$ 6,906,429	$ -	$ 7,180,219

CITY OF BATTLE GROUND
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2024

	Drug Investigation Fund	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Assets			
Cash and Cash Equivalents	$ 10,758	$ 285,844	$ 296,602
Investments	1,265	33,621	34,886
Accounts Receivable (net)	-	6,322	6,322
Interest Receivable	3	73	76
Total Assets	12,026	325,860	337,886
Liabilities			
Accounts Payable	-	64,096	64,096
Total Liabilities	-	64,096	64,096
Fund Balances			
Restricted for:			
Drug Investigation	12,026	-	12,026
Tourist Promotion	-	261,764	261,764
Total Fund Balances	12,026	261,764	273,790
Total Liabilities and Fund Balances	$ 12,026	$ 325,860	$ 337,886

CITY OF BATTLE GROUND

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balance

For the Fiscal Year Ended December 31, 2024

	Drug Investigation Reserve	Lodging Tax Reserve	Total Nonmajor Special Revenue Funds
Revenues			
Other Taxes	$ -	$ 81,838	$ 81,838
Fines and Forfeits	262	-	262
Interest Earnings	2,059	14,919	16,978
Total Revenues	2,321	96,757	99,078
Expenditures			
Current:			
Economic Environment	-	92,142	92,142
Capital Outlay:			
Security/Persons and Property	35,311	-	35,311
Total Expenditures	35,311	92,142	127,453
Excess (Deficiency) of Revenues Over (Under) Expenditures	(32,990)	4,615	(28,375)
Other Financing Sources (Uses)			
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(32,990)	4,615	(28,375)
Fund Balance at Beginning of Year	45,016	257,149	302,165
Fund Balance at End of Year	$ 12,026	$ 261,764	$ 273,790

CITY OF BATTLE GROUND
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2024

	Transportation Impact Fees	Park Impact Fee	Total Nonmajor Capital Projects Funds
Assets			
Cash and Cash Equivalents	$ 3,331,377	$ 2,853,888	$ 6,185,265
Investments	391,839	335,677	727,516
Interest Receivable	849	726	1,575
Total Assets	3,724,065	3,190,291	6,914,356
Liabilities			
Accounts Payable	3,508	4,419	7,927
Total Liabilities	3,508	4,419	7,927
Fund Balances			
Restricted for:			
Capital	3,720,557	3,185,872	6,906,429
Total Fund Balances	3,720,557	3,185,872	6,906,429
Total Liabilities and Fund Balances	$ 3,724,065	$ 3,190,291	$ 6,914,356

CITY OF BATTLE GROUND

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures and

Changes in Fund Balance

For the Fiscal Year Ended December 31, 2024

	Transportation Impact Fees	Park Impact Fee	Total Nonmajor Capital Project Funds
Revenues			
Charges for Services	$ 774,613	$ 1,232,901	$ 2,007,514
Interest Earnings	210,670	142,343	353,013
Total Revenues	985,283	1,375,244	2,360,527
Expenditures			
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	985,283	1,375,244	2,360,527
Other Financing Sources (Uses)			
Transfers Out	(1,019,684)	(437,589)	(1,457,273)
Total Other Financing Sources (Uses)	(1,019,684)	(437,589)	(1,457,273)
Net Change in Fund Balance	(34,401)	937,655	903,254
Fund Balance at Beginning of Year	3,754,958	2,248,217	6,003,175
Fund Balance at End of Year	$ 3,720,557	$ 3,185,872	$ 6,906,429

CITY OF BATTLE GROUND
Drug Investigation Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts		Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
	Original 2024	Final 2024		
Revenues				
Fines and Forfeits	$ 1,500	$ 1,500	$ 262	$ (1,238)
Interest Earnings	700	700	2,059	1,359
Total Revenues	2,200	2,200	2,321	121
Expenditures				
Capitalized Expenditures				
Security/Persons and Property	-	35,500	35,311	189
Total Expenditures	-	35,500	35,311	189
Excess (Deficiency) of Revenues Over (under) Expenditures	2,200	(33,300)	(32,990)	310
Other Financing Sources (Uses):				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	2,200	(33,300)	(32,990)	310
Fund Balance at Beginning of Year	43,321	43,321	45,016	1,695
Fund Balance at End of Year	$ 45,521	$ 10,021	$ 12,026	$ 2,005

CITY OF BATTLE GROUND
Lodging Tax Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Other Taxes	$ 65,650	$ 65,650	$ 81,838	$ 16,188
Interest Earnings	3,078	3,078	14,919	11,841
Total Revenues	68,728	68,728	96,757	28,029
Expenditures				
Economic Environment	93,606	93,606	92,142	1,464
Total Expenditures	93,606	93,606	92,142	1,464
Excess (Deficiency) of Revenues Over (under) Expenditures	(24,878)	(24,878)	4,615	29,493
Other Financing Sources (Uses)				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	(24,878)	(24,878)	4,615	29,493
Fund Balance at Beginning of Year	228,799	228,799	257,149	28,350
Fund Balance at End of Year	$ 203,921	$ 203,921	$ 261,764	$ 57,843

CITY OF BATTLE GROUND
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Intergovernmental	$ 3,635,885	$ 3,635,885	$ 1,461,194	$ (2,174,691)
Total Revenues	3,635,885	3,635,885	1,461,194	(2,174,691)
Expenditures				
Capitalized Expenditures	9,484,900	10,734,900	3,535,664	7,199,236
Total Expenditures	9,484,900	10,734,900	3,535,664	7,199,236
Excess (Deficiency) of Revenues Over (under) Expenditures	(5,849,015)	(7,099,015)	(2,074,470)	5,024,545
Other Financing Sources (Uses)				
Transfers In	5,849,015	7,099,015	2,076,484	(5,022,531)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	5,849,015	7,099,015	2,076,484	(5,022,531)
Net Change in Fund Balance	-	-	2,014	2,014
Fund Balance at Beginning of Year	-	-	(1,596)	(1,596)
Fund Balance at End of Year	$ -	$ -	$ 418	$ 418

CITY OF BATTLE GROUND
Transportation Impact Fees Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Charges for Services	$ 583,013	$ 583,013	$ 774,613	$ 191,600
Interest Earnings	20,000	20,000	210,670	190,670
Total Revenues	603,013	603,013	985,283	382,270
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	603,013	603,013	985,283	382,270
Other Financing Sources (Uses):				
Transfers Out	(3,781,632)	(3,781,632)	(1,019,684)	2,761,948
Total Other Financing Sources and Uses	(3,781,632)	(3,781,632)	(1,019,684)	2,761,948
Net Change in Fund Balance	(3,178,619)	(3,178,619)	(34,401)	3,144,218
Fund Balance at Beginning of Year	3,186,278	3,186,278	3,754,958	$ 568,680
Fund Balance at End of Year	$ 7,659	$ 7,659	$ 3,720,557	$ 3,712,898

CITY OF BATTLE GROUND
Park Impact Fee
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Charges for Services	$ 760,756	$ 760,756	$ 1,232,901	$ 472,145
Interest Earnings	2,081	2,081	142,343	140,262
Total Revenues	762,837	762,837	1,375,244	612,407
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	762,837	762,837	1,375,244	612,407
Other Financing Sources (Uses)				
Transfers Out	(338,000)	(498,000)	(437,589)	60,411
Total Other Financing Sources and Uses	(338,000)	(498,000)	(437,589)	60,411
Net Change in Fund Balance	424,837	264,837	937,655	672,818
Fund Balance at Beginning of Year	1,311,903	1,311,903	2,248,217	$ 936,314
Fund Balance at End of Year	$ 1,736,740	$ 1,576,740	$ 3,185,872	$ 1,609,132

CITY OF BATTLE GROUND
Real Estate Excise Tax
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Other Taxes	$ 800,000	$ 800,000	$ 1,610,166	$ 810,166
Interest Earnings	15,673	15,673	464,318	448,645
Total Revenues	815,673	815,673	2,074,484	1,258,811
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	815,673	815,673	2,074,484	1,258,811
Other Financing Sources (Uses)				
Transfers Out	(1,075,000)	(1,075,000)	(691,560)	383,440
Total Other Financing Sources and Uses	(1,075,000)	(1,075,000)	(691,560)	383,440
Net Change in Fund Balance	(259,327)	(259,327)	1,382,924	1,642,251
Fund Balance at Beginning of Year	6,823,833	6,823,833	7,911,436	1,087,603
Fund Balance at End of Year	$ 6,564,506	$ 6,564,506	$ 9,294,360	$ 2,729,854

CITY OF BATTLE GROUND
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts		Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
	Original 2024	Final 2024		
Revenues				
Contributions/Donations	$ 77,859	$ 77,859	$ 78,107	$ 248
Total Revenues	77,859	77,859	78,107	248
Expenditures				
Debt service:				
Principal Retirement	345,000	345,000	345,000	-
Interest/Fiscal Charges	184,063	184,063	184,063	-
Total Expenditures	529,063	529,063	529,063	-
Excess (Deficiency) of Revenues Over (under) Expenditures	(451,204)	(451,204)	(450,956)	248
Other Financing Sources (Uses)				
Transfers In	451,204	451,204	450,956	(248)
Total Other Financing Sources and Uses	451,204	451,204	450,956	(248)
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	$ -	$ -	$ -	$ -

CITY OF BATTLE GROUND
Parks Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Intergovernmental	$ -	$ -	$ 118	$ 118
Charges for Services	11,650	11,650	5,882	(5,768)
Interest Earnings	3,578	3,578	74,539	70,961
Rents and Royalties	191,984	191,984	291,006	99,022
Contributions/Donations	6,500	6,500	929	(5,571)
Miscellaneous	162	162	58	(104)
Total Revenues	213,874	213,874	372,532	158,658
Expenditures				
Current:				
Culture and Recreation	1,862,331	1,810,540	1,663,584	146,956
Capitalized Expenditures				
Culture and Recreation	2,500	215,291	215,291	-
Total Expenditures	1,864,831	2,025,831	1,878,875	146,956
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,650,957)	(1,811,957)	(1,506,343)	305,614
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	1,525	1,525
Transfers In	1,588,000	1,588,000	1,527,589	(60,411)
Total Other Financing Sources and Uses	1,588,000	1,588,000	1,529,114	(58,886)
Net Change in Fund Balance	(62,957)	(223,957)	22,771	246,728
Fund Balance at Beginning of Year	961,452	961,452	1,373,683	412,231
Fund Balance at End of Year	$ 898,495	$ 737,495	$ 1,396,454	$ 658,959

CITY OF BATTLE GROUND
Insurance Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Interest Earnings	$ 500	$ 500	$ 8,475	$ 7,975
Total Revenues	500	500	8,475	7,975
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	500	500	8,475	7,975
Other Financing Sources (Uses)				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	500	500	8,475	7,975
Fund Balance at Beginning of Year	139,815	139,815	156,650	16,835
Fund Balance at End of Year	$ 140,315	$ 140,315	$ 165,125	$ 24,810

CITY OF BATTLE GROUND
LEOFF I Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Interest Earnings	$ 1,443	$ 1,443	$ 20,102	$ 18,659
Total Revenues	1,443	1,443	20,102	18,659
Expenditures				
Current:				
General Government	103,000	103,000	44,635	58,365
Total Expenditures	103,000	103,000	44,635	58,365
Excess (Deficiency) of Revenues Over (under) Expenditures	(101,557)	(101,557)	(24,533)	77,024
Other Financing Sources (Uses)				
Transfers In	105,000	105,000	105,000	-
Total Other Financing Sources and Uses	105,000	105,000	105,000	-
Net Change in Fund Balance	3,443	3,443	80,467	77,024
Fund Balance at Beginning of Year	254,928	254,928	327,256	72,328
Fund Balance at End of Year	$ 258,371	$ 258,371	$ 407,723	$ 149,352

CITY OF BATTLE GROUND
Economic Stabilization Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2024

	Budget Amounts			
	Original 2024	Final 2024	Actual Year-To-Date Thru 12/31/24	Variance Thru 12/31/24
Revenues				
Interest Earnings	$ 1,095	$ 1,095	$ 20,403	$ 19,308
Total Revenues	1,095	1,095	20,403	19,308
Expenditures				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (under) Expenditures	1,095	1,095	20,403	19,308
Other Financing Sources (Uses)				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	1,095	1,095	20,403	19,308
Fund Balance at Beginning of Year	357,982	357,982	374,382	16,400
Fund Balance at End of Year	$ 359,077	$ 359,077	$ 394,785	$ 35,708

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INTERNAL SERVICE FUNDS

The internal service funds in the City of Battle Ground are service funds for the departments within the city. The services provided are reimbursed by transfers from the budget appropriations of the departments served. An internal service fund must recover its complete cost of operations without producing any significant profit.

Though the operations of the internal service funds do not theoretically require budgeting, budgets are prepared to assure proper expense control. The city has the following internal service funds:

Vehicle Rental and Replacement Fund – A fund to finance vehicles used by city departments.

Technology Rental and Replacement Fund – A fund to finance information technology such as computers, servers and storage.

CITY OF BATTLE GROUND
Internal Service Funds
Combining Statement of Net Position
December 31, 2024

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Assets			
Cash and Cash Equivalents	$ 1,193,138	$ 489,209	$ 1,682,347
Investments	140,999	57,541	198,540
Receivables			
Interest Receivable	306	125	431
Total Current Assets	1,334,443	546,875	1,881,318
Noncurrent Assets			
Property, Plant and Equipment (Net)	1,789,495	27,432	1,816,927
Total Noncurrent Assets	1,789,495	27,432	1,816,927
Total Assets	3,123,938	574,307	3,698,245
Liabilities			
Current Liabilities			
Accounts Payable	3,887	271	4,158
Total Current Liabilities	3,887	271	4,158
Total Liabilities	3,887	271	4,158
Net Position			
Net Investment in Capital Assets	1,785,608	27,432	1,813,040
Unrestricted	1,334,443	546,604	1,881,047
Total Net Position	$ 3,120,051	$ 574,036	$ 3,694,087

CITY OF BATTLE GROUND
Internal Service Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Net Position
For the fiscal year ended December 31, 2024

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Operating Revenues			
Charge for Services			
Vehicle Rental	$ 1,461,500	$ -	$ 1,461,500
Technology Rental	-	151,768	151,768
Total Operating Revenues	1,461,500	151,768	1,613,268
Operating Expenses			
Equipment and Supplies	-	114,188	114,188
Depreciation	156,336	8,363	164,699
Total Operating Expenses	156,336	122,551	278,887
Operating Income (loss)	1,305,164	29,217	1,334,381
Nonoperating Revenues (Expenses)			
Interest Earnings	65,065	27,320	92,385
Gain/Loss on Sale of Capital Assets	148,252	-	148,252
Total Nonoperating Revenues (Expenses)	213,317	27,320	240,637
Income (Loss) before Contributions, Special Items, and Transfers	1,518,481	56,537	1,575,018
Increase (Decrease) in Net Position	1,518,481	56,537	1,575,018
Total Net Position at Beginning of Year	1,601,570	517,499	2,119,069
Total Net Position at End of Year	$ 3,120,051	$ 574,036	$ 3,694,087

CITY OF BATTLE GROUND
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2024

	Vehicle Rental and Replacement	Technology Rental and Replacement	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from interfund charges for vehicle rental services	$ 1,461,500	$ -	$ 1,461,500
Receipts from interfund charges for technology rental services	-	151,768	151,768
Cash payments to Suppliers	-	(116,796)	(116,796)
Net Cash Provided by Operating Activities	1,461,500	34,972	1,496,472
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(1,111,515)	-	(1,111,515)
Proceeds from sale of capital assets	149,252	-	149,252
Net Cash Provided for Capital and Related Financing Activities	(962,263)	-	(962,263)
Cash Flows from Investing Activities			
Interest on Investments	64,853	27,254	92,107
Sale (purchase) of Investment Securities			-
Proceeds from Sale and Maturities of Investment Securities	(37,081)	7,846	(29,235)
Net Cash Used by Investing Activities	27,772	35,100	62,872
Net Increase (Decrease) in Cash and Cash Equivalents	527,009	70,072	597,081
Cash and Cash Equivalents at Beginning of Year	666,129	419,137	1,085,266
Cash and Cash Equivalents at End of Year	$ 1,193,138	$ 489,209	$ 1,682,347
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Net Operating Income (Loss)	$ 1,305,164	$ 29,217	$ 1,334,381
Adjustments to reconcile net operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation Expense	156,336	8,363	164,699
Increase (Decrease) in Current Payables	-	(2,608)	(2,608)
	156,336	5,755	162,091
Net Cash Provided by Operating Activities	$ 1,461,500	$ 34,972	$ 1,496,472
	-	-	-
	-	-	
Noncash Investing, Financing and Capital Activities			
Net Change in Fair Value of Investments	3,940	2,558	6,498

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Battle Ground's *Annual Comprehensive Financial Report* presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Schedule 1 – Net Position by Component
Schedule 2 – Changes in Net Position by Component
Schedule 3 – Fund Balances, Governmental Funds
Schedule 4 – Changes in Fund Balances, Governmental Funds

REVENUE CAPACITY

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.

Schedule 5 – Tax Revenues by Source, Governmental Funds
Schedule 6 – Assessed Value and Actual Value of Taxable Property
Schedule 7 – Direct and Overlapping Property Tax Rates
Schedule 8 – Principal Property Tax Payers
Schedule 9 – Property Tax Levies and Collections
Schedule 10 – Sales Tax Collected by Industry

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the city's current level of outstanding debt and the city's ability to issue additional debt in the future.

Schedule 11 – Ratios of Outstanding Debt by Type
Schedule 12 – Ratios of General Bonded Debt Outstanding
Schedule 13 – Direct and Overlapping Governmental Activities Debt
Schedule 14 – Legal Debt Margin Information
Schedule 15 – Pledged Revenue Coverage

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Schedule 16 – Demographic and Economic Statistics
Schedule 17 – Principal Employers
Schedule 18 – Property Values and Construction

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how he information in the city's financial report relates to the services the city provides and the activities it performs.

Schedule 19 – Full-time Equivalent City Government Employees
Schedule 20 – Operating Indicators by Function/Program
Schedule 21 – Capital Asset Statistics by Function/Program

Sources: Unless otherwise noted, the information in these schedules is derived from the *Comprehensive Annual Financial Report* for the relevant year.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

Schedule 1 – Net Position by Component
Schedule 2 – Changes in Net Position
Schedule 3 – Fund Balances, Governmental Funds
Schedule 4 – Changes in Fund Balance, Governmental Fund

CITY OF BATTLE GROUND

Schedule 1

Net Position by Component

Last Ten Fiscal Years

(accural basis of accounting)

	2015	2016	2017	2018	2019
Governmental Activities					
Net investment in capital assets	$ 40,356,369	$ 39,534,273	$ 44,439,495	$ 47,192,935	$ 47,156,748
Restricted for:					
Capital	4,303,975	5,488,961	5,544,003	6,673,924	8,087,231
Pension	-	453,785	1,013,955	1,166,990	1,344,153
Drug Investigation	63,090	60,291	68,921	55,388	61,378
Tourist Promotion	144,631	153,483	174,624	209,490	245,768
Public Safety	-	-	-	-	-
Unrestricted	1,661,667	2,295,387	3,039,376	2,992,465	5,326,561
Total governmental activities net position	$ 46,529,732	$ 47,986,180	$ 54,280,374	$ 58,291,192	$ 62,221,839
Business-type Activities					
Net investment in capital assets	$ 50,545,433	$ 48,777,185	$ 50,173,640	$ 50,237,762	$ 52,295,554
Restricted	299,804	301,875	297,778	297,778	297,778
Unrestricted	15,158,274	17,866,082	19,891,869	22,677,534	24,696,312
Total business-type activities net position	$ 66,003,511	$ 66,945,142	$ 70,363,287	$ 73,213,074	$ 77,289,644
Primary Government					
Net investment in capital assets	$ 90,901,802	$ 88,311,458	$ 94,613,135	$ 97,430,697	$ 99,452,302
Restricted for:					
Capital	4,303,975	5,488,961	5,544,003	6,673,924	8,087,231
Pension	-	453,785	1,013,955	1,166,990	1,344,153
Debt	299,804	301,875	297,778	297,778	297,778
Drug Investigation	63,090	60,291	68,921	55,388	61,378
Tourist Promotion	144,631	153,483	174,624	209,490	245,768
Public Safety	-	-	-	-	-
Unrestricted	16,819,941	20,161,469	22,931,245	25,669,999	30,022,873
Total primary government net position	$ 112,533,243	$ 114,931,322	$ 124,643,661	$ 131,504,266	$ 139,511,483

Continued on next page

CITY OF BATTLE GROUND
Schedule 1
Net Position by Component
Last Ten Fiscal Years
(accural basis of accounting)

	2020	2021	2022	2023	2024
Governmental Activities					
Net investment in capital assets	$ 48,276,704	$ 53,834,490	$ 56,997,362	$ 66,590,645	$ 72,975,678
Restricted for:					
Capital	8,399,399	8,822,634	11,470,002	13,914,611	16,201,207
Pension	1,484,124	6,799,504	3,172,219	2,920,552	2,384,352
Drug Investigation	45,289	44,403	43,114	45,016	12,026
Tourist Promotion	269,325	292,988	276,906	257,149	261,764
Public Safety	497,815	-	297,717	836,592	836,592
Unrestricted	6,700,552	7,676,048	17,480,113	23,559,736	27,193,348
Total governmental activities net position	$ 65,673,208	$ 77,470,067	$ 89,737,433	$ 108,124,301	$ 119,864,967
Business-type Activities					
Net investment in capital assets	$ 52,425,451	$ 56,104,281	$ 58,206,799	$ 63,237,469	$ 68,054,893
Restricted	297,778	998,813	553,998	690,674	552,512
Unrestricted	27,343,734	31,926,353	36,610,404	42,021,066	49,447,841
Total business-type activities net position	$ 80,066,963	$ 89,029,447	$ 95,371,201	$ 105,949,209	$ 118,055,246
Primary Government					
Net investment in capital assets	$ 100,702,155	$ 109,938,771	$ 115,204,161	$ 129,828,114	$ 141,030,571
Restricted for:					
Capital	8,399,399	8,822,634	11,470,002	13,914,611	16,201,207
Pension	1,484,124	7,500,539	3,428,439	3,313,448	2,639,086
Debt	297,778	297,778	297,778	297,778	297,778
Drug Investigation	45,289	44,403	43,114	45,016	12,026
Tourist Promotion	269,325	292,988	276,906	257,149	261,764
Public Safety	497,815	-	297,717	836,592	836,592
Unrestricted	34,044,286	39,602,401	54,090,517	65,580,802	76,641,189
Total primary government net position	$ 145,740,171	$ 166,499,514	$ 185,108,634	$ 214,073,510	$ 237,920,213

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2016	2017	2018	2019
Expenses					
Governmental activities					
General government	$ 1,955,510	$ 1,884,953	$ 1,818,329	$ 1,994,437	$ 2,567,566
Judicial	587,230	569,422	730,455	602,107	246,734
Public Safety	4,014,769	4,303,774	6,766,840	7,305,827	7,531,825
Physical Environment	2,332,297	2,325,492	457,270	477,150	452,297
Transportation	2,959,111	2,871,534	3,279,449	3,291,877	3,566,592
Economic Environment	838,813	849,069	941,778	996,604	2,304,417
Culture and Recreation	866,175	1,027,123	1,049,993	1,042,660	899,601
Interest on long-term debt	504,353	477,416	460,347	430,418	400,222
Total governmental activities expenses	$ 14,058,258	$ 14,308,783	$ 15,504,461	$ 16,141,080	$ 17,969,254
Business-type activities					
Storm Drainage	$ 1,013,546	$ 1,158,748	$ 1,380,733	$ 1,332,675	$ 1,409,906
Water	2,524,181	2,691,560	2,914,232	2,985,843	2,919,154
Sewer	5,639,263	5,181,762	5,686,127	8,557,894	6,595,763
Total business-type activities expenses	9,176,990	9,032,070	9,981,092	12,876,412	10,924,823
Total primary government expenses	$ 23,235,248	$ 23,340,853	$ 25,485,553	$ 29,017,492	$ 28,894,077
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 268,480	$ 387,984	$ 342,546	$ 283,560	$ 378,297
Judicial	447,779	446,311	195,861	169,059	203,925
Economic Environment	1,887,302	2,520,101	2,167,138	2,367,537	4,776,072
Other activities	331,963	201,667	327,140	532,277	531,596
Operating grants and contributions	891,157	1,104,258	1,062,301	1,134,990	1,130,484
Capital grant and contributions	1,409,148	528,232	6,339,352	4,849,346	2,090,113
Total government activities program revenues	$ 5,235,829	$ 5,188,553	$ 10,434,338	$ 9,336,769	$ 9,110,487
Business-type activities					
Storm Drainage	$ 865,854	$ 1,035,170	$ 1,205,307	$ 1,386,111	$ 1,556,134
Water	2,390,158	2,503,684	2,728,712	2,884,377	2,862,375
Sewer	3,238,712	3,565,701	3,831,541	4,303,363	4,715,056
Operating grants and contributions				50,000	-
Capital grants and contributions	3,821,962	2,598,683	5,330,573	6,614,179	5,105,880
Total business-type activities program revenues	10,316,686	9,703,238	13,096,133	15,238,030	14,239,445
Total primary government program revenues	$ 15,552,515	$ 14,891,791	$ 23,530,471	$ 24,574,799	$ 23,349,932

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CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2020	2021	2022	2023	2024
Expenses					
Governmental activities					
General government	$ 2,335,730	$ 2,206,627	$ 2,450,571	$ 2,763,706	$ 3,937,553
Judicial	571,181	665,347	673,424	860,630	903,485
Public Safety	8,558,547	4,010,312	5,258,294	5,954,634	7,184,633
Physical Environment	419,875	401,717	583,333	483,629	697,684
Transportation	3,197,724	4,309,325	4,635,628	5,433,648	3,732,077
Economic Environment	2,237,387	3,945,702	3,306,249	3,819,490	5,305,097
Culture and Recreation	875,202	912,321	1,137,528	1,544,414	1,720,145
Interest on long-term debt	352,877	258,751	224,865	205,009	185,380
Total governmental activities expenses	$ 18,548,523	$ 16,710,102	$ 18,269,892	$ 21,065,160	$ 23,666,054
Business-type activities					
Storm Drainage	$ 1,420,125	$ 1,675,682	$ 1,915,524	$ 2,100,967	$ 2,530,491
Water	3,376,589	3,760,859	4,166,567	4,861,822	4,507,703
Sewer	6,637,207	6,848,172	7,066,784	7,967,684	8,137,188
Total business-type activities expenses	11,433,921	12,284,713	13,148,875	14,930,473	15,175,382
Total primary government expenses	$ 29,982,444	$ 28,994,815	$ 31,418,767	$ 35,995,633	$ 38,841,436
Program Revenues					
Governmental activities					
Charge for services					
General Government	$ 114,900	$ 163,248	$ 156,746	$ 161,476	$ 148,326
Judicial	199,382	292,829	368,831	404,652	424,621
Economic Environment	4,257,368	6,968,109	6,575,446	6,703,729	8,396,924
Other activities	619,971	349,430	666,996	605,665	670,923
Operating grants and contributions	1,693,611	1,058,494	1,322,960	1,987,677	1,930,051
Capital grant and contributions	3,072,574	4,637,149	5,864,679	11,705,809	6,911,797
Total government activities program revenues	$ 9,957,806	$ 13,469,259	$ 14,955,658	$ 21,569,008	$ 18,482,642
Business-type activities					
Storm Drainage	$ 1,601,371	$ 1,661,080	$ 1,732,666	$ 1,845,266	$ 1,950,352
Water	2,855,522	3,227,474	3,425,814	3,700,945	3,797,368
Sewer	4,764,471	5,085,271	5,621,768	6,029,387	6,598,399
Operating grants and contributions	127,332	17,395	101,616	31,429	109,089
Capital grants and contributions	4,393,652	10,936,910	8,149,527	11,438,128	10,547,552
Total business-type activities program revenues	13,742,348	20,928,130	19,031,391	23,045,155	23,002,760
Total primary government program revenues	$ 23,700,154	$ 34,397,389	$ 33,987,049	$ 44,614,163	$ 41,485,402

CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2016	2017	2018	2019
Net(Expenses)Revenue					
Government activities	(8,822,429)	(9,120,230)	(5,070,123)	(6,804,311)	(8,858,767)
Business activities	1,139,696	671,168	3,115,041	2,361,618	3,314,622
Total primary government net expense	(7,682,733)	(8,449,062)	(1,955,082)	(4,442,693)	(5,544,145)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	2,752,356	2,816,320	2,902,251	3,049,456	3,162,791
Sales and use taxes	2,553,298	2,949,812	3,521,944	3,723,445	4,002,428
Business and occupation taxes	3,196,511	3,313,960	3,187,273	3,357,670	3,448,257
Excise taxes	690,792	978,371	1,187,266	1,077,298	1,243,205
Unrestricted grants and contributions	297,154	360,532	347,317	362,403	373,645
Investment earnings	50,427	72,726	98,941	209,631	337,457
Miscellaneous	92,392	82,457	106,116	91,735	325,392
Gain on sale of capital assets	-	2,500	13,207	4,680	(105,126)
Insurance recoveries	-	-			1,365
Special Item					
Transfers	-	-			-
Total governmental activities	9,632,930	10,576,678	11,364,317	11,876,318	12,789,414
Business-type activities					
Investment earnings	91,804	128,293	169,175	319,724	554,359
Miscellaneous	195,043	142,170	163,304	165,412	207,589
Special Item	7,019,290	-			
Gain(loss) on sale of capital assets	-	-	(29,376)	3,033	
Transfers	-	-			
Total business-type activities	7,306,137	270,463	303,103	488,169	761,948
Total primary government	16,939,067	10,847,141	11,667,420	12,364,487	13,551,362
Changes in Net Position					
Governmental activities	810,501	1,456,448	6,294,194	5,072,007	3,930,647
Business-type activities	8,445,833	941,631	3,418,144	2,849,787	4,076,570
Total primary government	9,256,334	2,398,079	9,712,338	7,921,794	8,007,217

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CITY OF BATTLE GROUND

Schedule 2

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2020	2021	2022	2023	2024
Net(Expenses)Revenue					
Government activities	(8,590,717)	(3,240,843)	503,848	503,848	(5,183,412)
Business activities	2,308,427	8,643,417	8,114,682	8,114,682	7,827,378
Total primary government net expense	(6,282,290)	5,402,574	8,618,530	8,618,530	2,643,966
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	3,323,783	3,495,531	3,701,555	3,933,687	4,119,354
Sales and use taxes	4,396,312	5,617,753	6,051,634	7,366,483	7,126,007
Business and occupation taxes	3,098,913	2,915,471	3,036,428	3,194,827	3,404,062
Excise taxes	1,455,122	2,323,199	2,403,433	1,398,404	1,619,065
Unrestricted grants and contributions	401,637	475,559	404,383	420,901	417,012
Investment earnings	180,832	60,480	142,924	1,815,514	2,287,715
Miscellaneous	39,967	125,959	44,101	55,482	87,774
Gain on sale of capital assets	-	26,483	21,708	47,631	146,274
Insurance recoveries	-	-	-	-	-
Special Item	(829,480)	-	-	-	-
Transfers	(25,000)	(2,733)	(224,566)	(349,909)	(2,093,136)
Total governmental activities	12,042,086	15,037,702	15,581,600	17,883,020	17,114,127
Business-type activities					
Investment earnings	302,737	88,415	114,607	1,766,664	2,209,165
Miscellaneous	191,895		120,065	346,753	4,988
Special Item			-		
Gain(loss) on sale of capital assets		227,919	-		
Transfers	25,000	2,733	224,566	349,909	2,093,136
Total business-type activities	519,632	319,067	459,238	2,463,326	4,307,289
Total primary government	12,561,718	15,356,769	16,040,838	20,346,346	21,421,416
Changes in Net Position					
Governmental activities	3,451,369	11,796,859	12,267,366	18,386,868	11,930,715
Business-type activities	2,828,059	8,962,484	6,341,754	10,578,008	12,134,667
Total primary government	6,279,428	20,759,343	18,609,120	28,964,876	24,065,382

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2015	2016	2017	2018	2019
General Fund					
Restricted	$ -	$ -	$ -	$ -	$ -
Committed	2,159,935	2,455,518	382,871	238,127	243,808
Assigned	396,115	517,175	483,837	466,644	699,040
Unassigned	1,121,241	1,744,474	4,934,676	5,840,214	7,391,039
Total general fund	3,677,291	4,717,167	5,801,384	6,544,985	8,333,887
All Other Governmental Funds					
Restricted	4,511,696	5,705,734	5,787,548	6,938,802	8,394,377
Assigned					
Special revenue funds	121,375	255,040	253,684	505,627	580,053
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 4,633,071	$ 5,960,774	$ 6,041,232	$ 7,444,429	$ 8,974,430

Continued on next page

*Previously reported committed fund balance was re-assessed to be assigned fund balance for 2023.

CITY OF BATTLE GROUND

Schedule 3

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accruaL basis of accounting)

	2020	2021	2022	2023	2024
General Fund					
Restricted	$ -	$ -	$ 22,185.00	$ 33,553	$ 206,675
Committed	354,558	355,611	356,908	-	-
Assigned	771,150	1,001,277	1,271,161	2,231,971	2,364,087
Unassigned	8,628,277	13,445,577	18,007,378	22,408,091	24,328,170
Total general fund	9,753,985	14,802,465	19,657,632	24,673,615	26,898,932
All Other Governmental Funds					
Restricted	9,211,828	9,160,025	11,790,022	14,216,776	16,474,997
Assigned					
Special revenue funds	913,721	990,615	913,549	896,188	1,481,616
Unassigned	-	-	-	(1,596)	-
Total all other governmental funds	$ 10,125,549	$ 10,150,640	$ 12,703,571	$ 15,111,368	$ 17,956,613

*Previously reported committed fund b

CITY OF BATTLE GROUND

Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2015	2016	2017	2018	2019
Revenues					
Taxes	$ 9,291,615	$ 10,335,734	$ 11,529,561	$ 11,333,623	$ 12,141,540
Licenses, fees, and permits	826,011	841,949	963,119	1,181,600	1,423,090
Intergovernmental	1,062,872	1,385,585	5,246,958	2,362,444	1,334,014
Charges for services	2,452,856	2,953,275	2,557,087	2,797,512	4,843,131
Fines and penalties	262,732	260,696	241,915	243,280	235,272
Investment earnings	47,756	69,705	98,942	198,777	319,084
Rents and royalties	295,559	272,099	282,302	277,815	281,039
Contributions/donations	139,191	127,917	141,294	141,134	128,784
Other revenues	92,391	89,354	106,116	87,388	314,914
Total governmental funds	14,470,983	16,336,314	21,167,294	18,623,573	21,020,868
Expenditures					
General Government	2,732,778	2,692,214	2,573,435	2,813,508	3,221,339
Judicial	587,723	579,154	737,822	700,282	290,854
Security/persons and property	3,887,783	3,944,592	6,629,465	7,318,752	7,611,206
Physical environment	2,282,573	2,296,398	439,352	489,047	473,904
Transportation	1,046,103	1,109,050	1,436,015	1,053,875	1,203,556
Economic environment	829,749	876,787	954,108	1,050,336	2,363,308
Culture and recreation	585,329	607,717	621,871	669,837	562,309
Capital outlay	95,466	691,716	4,974,887	797,012	400,133
Debt service					
Principal	831,761	846,383	886,541	904,123	1,085,141
Interest	503,159	482,069	469,122	437,237	411,426
Total expenditures	13,382,424	14,126,080	19,722,618	16,234,009	17,623,176
Excess of revenues over (under) expenditures	1,088,559	2,210,234	1,444,676	2,389,564	3,397,692
Other Financing Sources (Uses)					
Sale of capital assets	-	-	-	2,210	-
Long-term debt proceeds	-	270,594	-	-	-
Proceeds of Lease	-	-	-	-	-
Insurance recoveries	-	-	-	4,344	1,128
Transfers in	1,652,267	1,754,897	2,343,505	2,009,069	2,058,926
Transfers out	(1,732,182)	(1,868,145)	(2,623,507)	(2,258,390)	(2,138,843)
Total other financing sources (uses)	(79,915)	157,346	(280,002)	(242,767)	(78,789)
Net changes in fund balances	$ 1,008,644	$ 2,367,580	$ 1,164,674	$ 2,146,797	$ 3,318,903
Debt service as a percentage of noncapital expenditures	10.05%	9.89%	9.19%	8.69%	8.69%

Continued on next page

CITY OF BATTLE GROUND

Schedule 4

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2020	2021	2022	2023	2024
Revenues					
Taxes	$ 12,437,585	$ 14,178,787	$ 15,194,131	$ 15,564,863	$ 16,582,906
Licenses, fees, and permits	1,370,663	2,163,860	1,871,670	1,700,335	2,548,360
Intergovernmental	2,401,530	2,419,182	2,929,333	6,827,256	5,962,688
Charges for services	4,637,700	6,761,540	6,598,032	7,151,980	8,207,612
Fines and penalties	153,836	153,754	147,958	158,677	199,638
Investment earnings	171,912	58,145	140,018	1,759,280	2,195,334
Rents and royalties	141,495	238,187	362,855	441,532	442,909
Contributions/donations	134,215	132,028	139,773	111,894	97,270
Other revenues	40,169	109,524	180,612	70,025	251,856
Total governmental funds	21,489,105	26,215,007	27,564,382	33,785,842	36,488,573
Expenditures					
General Government	3,214,508	3,099,318	3,434,199	3,912,225	5,410,279
Judicial	588,904	717,465	800,824	891,857	928,512
Security/persons and property	8,227,704	4,917,503	5,613,224	5,957,183	7,703,304
Physical environment	428,944	462,356	600,457	532,116	723,225
Transportation	726,195	1,856,666	2,052,335	3,107,259	3,271,734
Economic environment	2,286,466	4,088,629	3,366,615	3,906,147	5,381,469
Culture and recreation	538,844	593,638	818,459	1,270,619	1,497,958
Capital outlay	1,130,518	2,526,648	2,702,622	5,861,475	3,864,632
Debt service					
Principal	1,656,184	2,617,250	433,555	532,662	369,703
Interest	371,345	308,378	226,558	209,051	185,380
Total expenditures	19,169,612	21,187,851	20,048,848	26,180,594	29,336,196
Excess of revenues over (under) expenditures	2,319,493	5,027,156	7,515,534	7,605,248	7,152,377
Other Financing Sources (Uses)					
Sale of capital assets	99,990	6,980	17,708	10,620	2,155
Long-term debt proceeds	-	-	-	-	-
Proceeds of Lease	-	-	47,203	135,021	-
Insurance recoveries	43,734	42,167	52,219	22,800	9,166
Transfers in	2,859,953	5,993,127	3,411,225	3,394,317	5,185,029
Transfers out	(2,751,953)	(5,995,859)	(3,635,791)	(3,744,226)	(7,278,165)
Total other financing sources (uses)	251,724	46,415	(107,436)	(181,468)	(2,081,815)
Net changes in fund balances	$ 2,571,217	$ 5,073,571	$ 7,408,098	$ 7,423,780	$ 5,070,562
Debt service as a percentage of noncapital expenditures	11.24%	15.68%	3.81%	3.65%	2.18%

REVENUE CAPACITY

These schedules contain information to help the reader assess the city's most significant local revenue sources, sales tax and property taxes.

Schedule 5 – Tax Revenues by Source, Governmental Funds
Schedule 6 – Assessed Value of Taxable Property
Schedule 7 – Direct and Overlapping Property Tax Rates
Schedule 8 – Principal Property Tax Payers
Schedule 9 – Property Tax Levies and Collections
Schedule 10 – Sales Tax Collected by Industry

CITY OF BATTLE GROUND

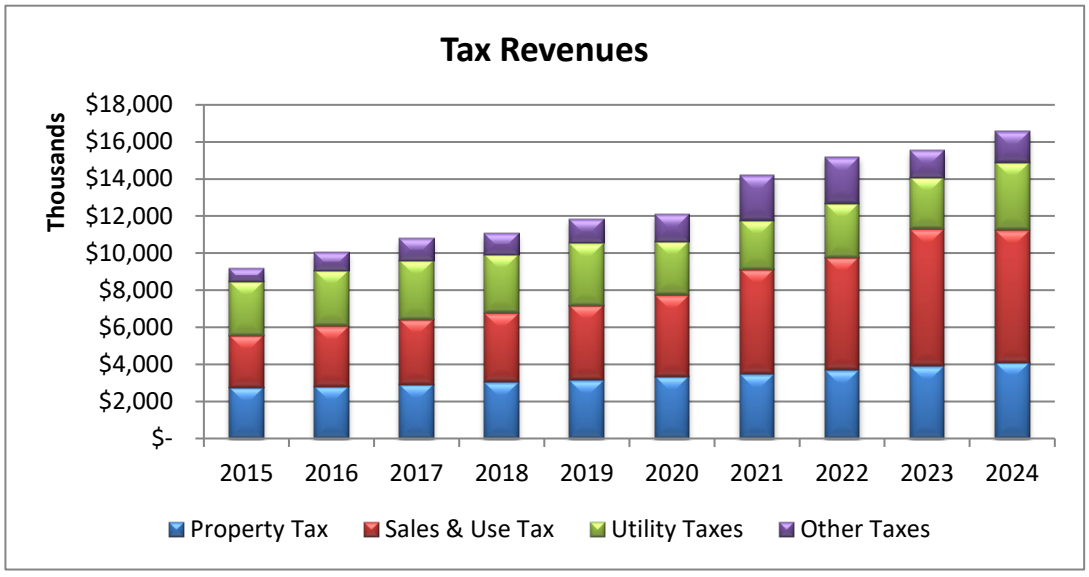
Schedule 5

General Governmental Tax Revenues by Source

Last Ten Fiscal Years

(modified basis of accounting)

Fiscal Year	Property Tax	Sales & Use Tax	Utility Taxes	Other Taxes	Totals
2015	2,758,389	2,791,726	2,924,491	724,384	9,198,990
2016	2,819,856	3,233,490	2,992,741	1,015,911	10,061,998
2017	2,906,406	3,521,944	3,187,273	1,187,924	10,803,547
2018	3,049,015	3,723,445	3,140,647	1,134,017	11,047,124
2019	3,158,747	4,002,428	3,383,862	1,307,601	11,852,638
2020	3,333,686	4,396,312	2,889,763	1,494,145	12,113,907
2021	3,492,300	5,617,753	2,657,606	2,401,822	14,169,481
2022	3,695,943	6,058,270	2,939,552	2,500,308	15,194,073
2023	3,926,541	7,366,483	2,794,673	1,477,166	15,564,863
2024	4,112,379	7,126,006	3,643,616	1,700,904	16,582,905
Change 2023-2024	4.73%	-3.26%	30.38%	15.15%	6.54%



Source: City of Battle Ground financial records

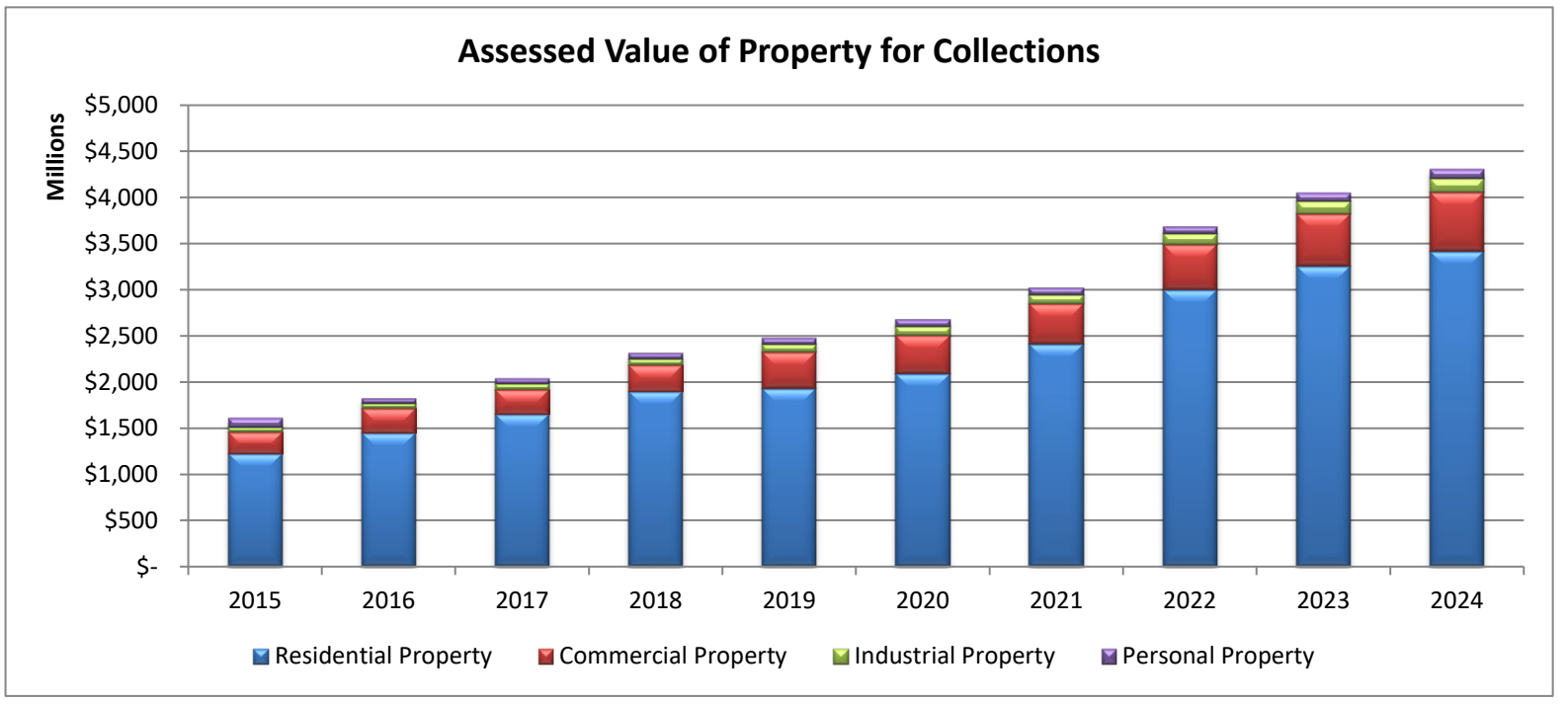
CITY OF BATTLE GROUND

Schedule 6

Assessed Value of Taxable Property

Last Ten Fiscal Years

		Real Property Assessed Value					
Assessed Year	Collection Year	Residential Property	Commercial Property	Industrial Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate
2015	2016	1,223,115,822	239,842,262	48,336,782	95,636,414	1,606,931,280	1.75
2016	2017	1,448,221,654	270,824,266	53,953,558	51,115,295	1,824,114,773	1.59
2017	2018	1,645,334,443	271,535,957	61,621,488	54,781,907	2,033,273,795	1.50
2018	2019	1,900,767,211	283,664,324	67,575,193	61,725,672	2,313,732,400	1.37
2019	2020	1,930,238,652	397,772,524	77,914,446	67,644,990	2,473,570,612	1.35
2020	2021	2,085,712,857	421,895,020	92,417,184	75,066,397	2,675,091,458	1.29
2021	2022	2,415,607,065	437,592,646	96,212,503	75,282,615	3,024,694,829	1.22
2022	2023	3,001,168,588	493,429,220	116,610,370	71,351,930	3,682,560,108	1.07
2023	2024	3,254,485,531	566,354,997	139,545,120	91,146,095	4,051,531,743	1.02
2024	2025	3,419,702,938	640,883,551	143,772,938	99,049,995	4,303,409,422	1.00



Source: Clark County Department of Assessment and GIS

Note: Real and personal property has been assessed at 100% of the estimated value

Tax rates are per $1,000 of assessed value

CITY OF BATTLE GROUND

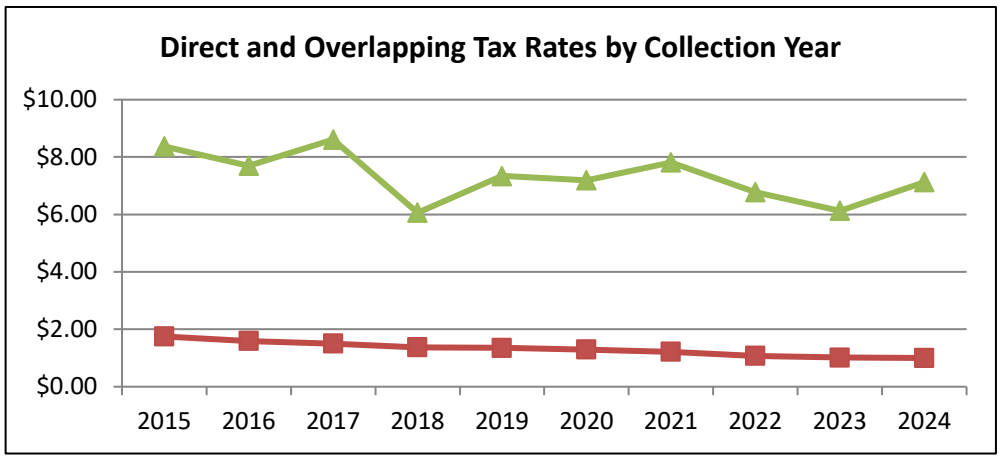
Schedule 7

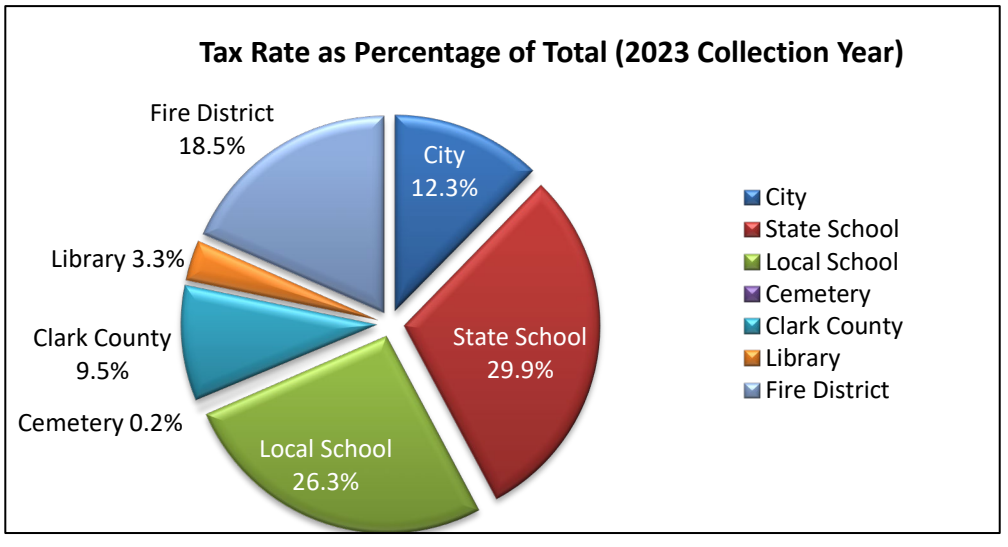
Property Tax Rates

Direct and Overlapping Governments

Last Ten Fiscal Years

Assessed Year	Collection Year	Direct City Rate	Overlapping Rates						Total Average Levy Rate
			State School	Local School	Clark County	Public Library	Cemetery District 6	Fire District 3	
2015	2016	1.75	2.08	4.48	1.33	0.45	0.03	0.00	10.12
2016	2017	1.59	1.98	4.05	1.22	0.42	0.03	0.00	9.29
2017	2018	1.50	2.89	4.14	1.15	0.40	0.03	0.00	10.11
2018	2019	1.37	2.51	2.11	1.05	0.36	0.03	0.00	7.43
2019	2020	1.35	2.85	3.08	1.03	0.35	0.03	0.00	8.69
2020	2021	1.29	2.94	2.88	1.00	0.34	0.03	1.36	9.84
2021	2022	1.22	2.73	2.48	0.92	0.32	0.02	1.34	9.03
2022	2023	1.07	2.33	2.14	0.80	0.28	0.02	1.21	7.85
2023	2024	1.02	2.25	1.65	0.77	0.27	0.02	1.16	7.15
2024	2025	1.00	2.43	2.14	0.77	0.27	0.02	1.50	8.13





Source: Clark County Department of Assessment and GIS

Notes: All levies expressed in dollars per $1,000
Overlapping rates are those of local and county governments that apply to property owners with the City of Battle Ground. Not all overlapping rates apply to all Battle Ground property owners.

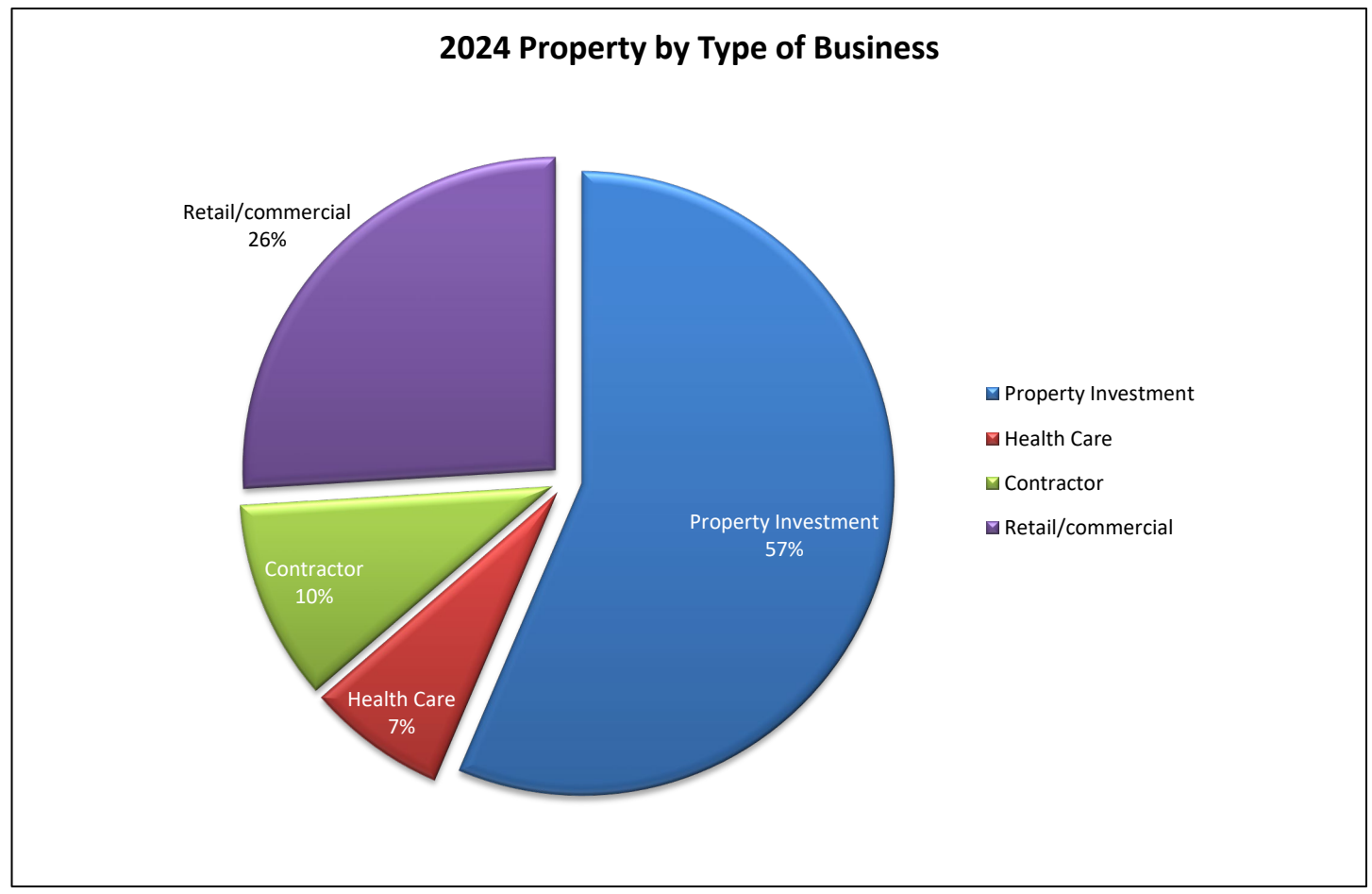
CITY OF BATTLE GROUND

Schedule 8

Principal Property Taxpayers

Current Year and Nine Years Ago

		2024			2015		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
AHO Construction Inc	Property Investment	$ 38,303,978	1	0.95%			
Alder Pointe BG LLC	Property Investment	34,002,693	2	0.84%			
Tapani Underground Inc	Contractor-Excavating	24,836,347	3	0.61%			
SOP LLC	Property Investment	24,127,700	4	0.60%	11,901,670	5	0.74%
Fred Meyer Store	Retail/commercial	23,446,724	5	0.58%	16,504,657	1	1.03%
CRP AR Prose Battle Ground	Property Investment	20,414,528	6	0.50%			
Wal-Mart Real Estate Business Trust	Retail/commercial	19,979,200	7	0.49%	15,588,500	2	0.97%
Battle Ground Market Center	Retail/commercial	18,573,575	8	0.46%	15,466,900	3	0.96%
Glencrest Battle Ground LLC	Property Investment	17,919,000	9	0.44%			
The Vancouver Clinic	Health Care	17,239,744	10	0.43%	13,489,606	4	0.84%
Samuel and Shelley Walker	Property Investment				8,354,400	6	0.52%
Oldcastle Glass Inc.	Commercial				8,310,775	7	0.52%
Hi-School Properties LLC	Retail/commercial				7,088,000	8	0.44%
NW Natural Gas Company	Energy				6,832,643	9	0.43%
Guyer Trustees	Property Investment				6,501,880	10	0.40%
Total Principal Property Tax Payers		238,843,489		5.90%	110,039,031		6.85%
All Other City Taxpayers		3,812,688,254		94.10%	1,496,892,249		93.15%
Total City Taxpayers		4,051,531,743		100.00%	$ 1,606,931,280		100.00%



Source: Clark County Assessor's Office Top Taxpayer Report

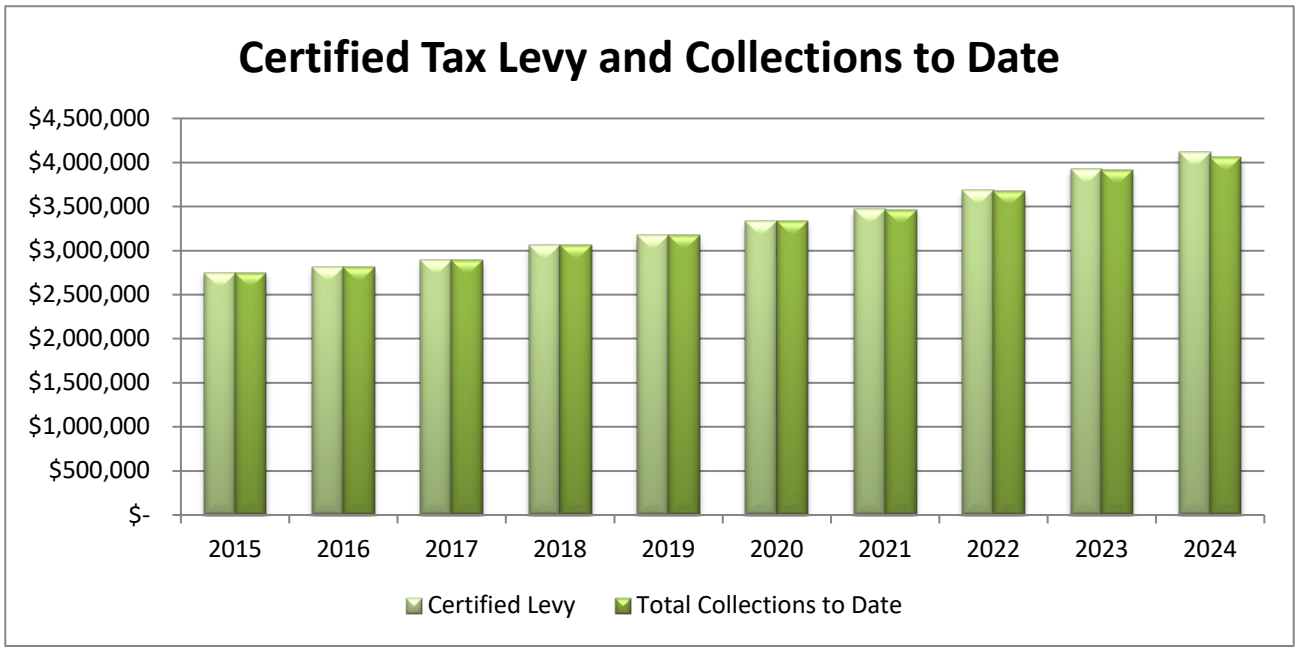
CITY OF BATTLE GROUND

Schedule 9

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2015	2,747,180	2,707,983	98.57%	38,867	2,746,850	99.99%
2016	2,807,748	2,772,332	98.74%	35,412	2,807,744	100.00%
2017	2,893,525	2,851,452	98.55%	42,067	2,893,519	100.00%
2018	3,052,811	3,022,188	99.00%	30,581	3,052,769	100.00%
2019	3,173,966	3,147,756	99.17%	26,067	3,173,823	100.00%
2020	3,331,136	3,306,744	99.27%	24,399	3,331,143	100.00%
2021	3,462,275	3,421,794	98.83%	40,311	3,462,105	100.00%
2022	3,684,016	3,650,334	99.09%	24,431	3,674,765	99.75%
2023	3,925,556	3,881,770	98.88%	24,415	3,906,185	99.51%
2024	4,113,269	4,059,539	98.69%	-	4,059,539	98.69%



Source: Clark County Department of Assessment and GIS; Clark County Treasurer's Office

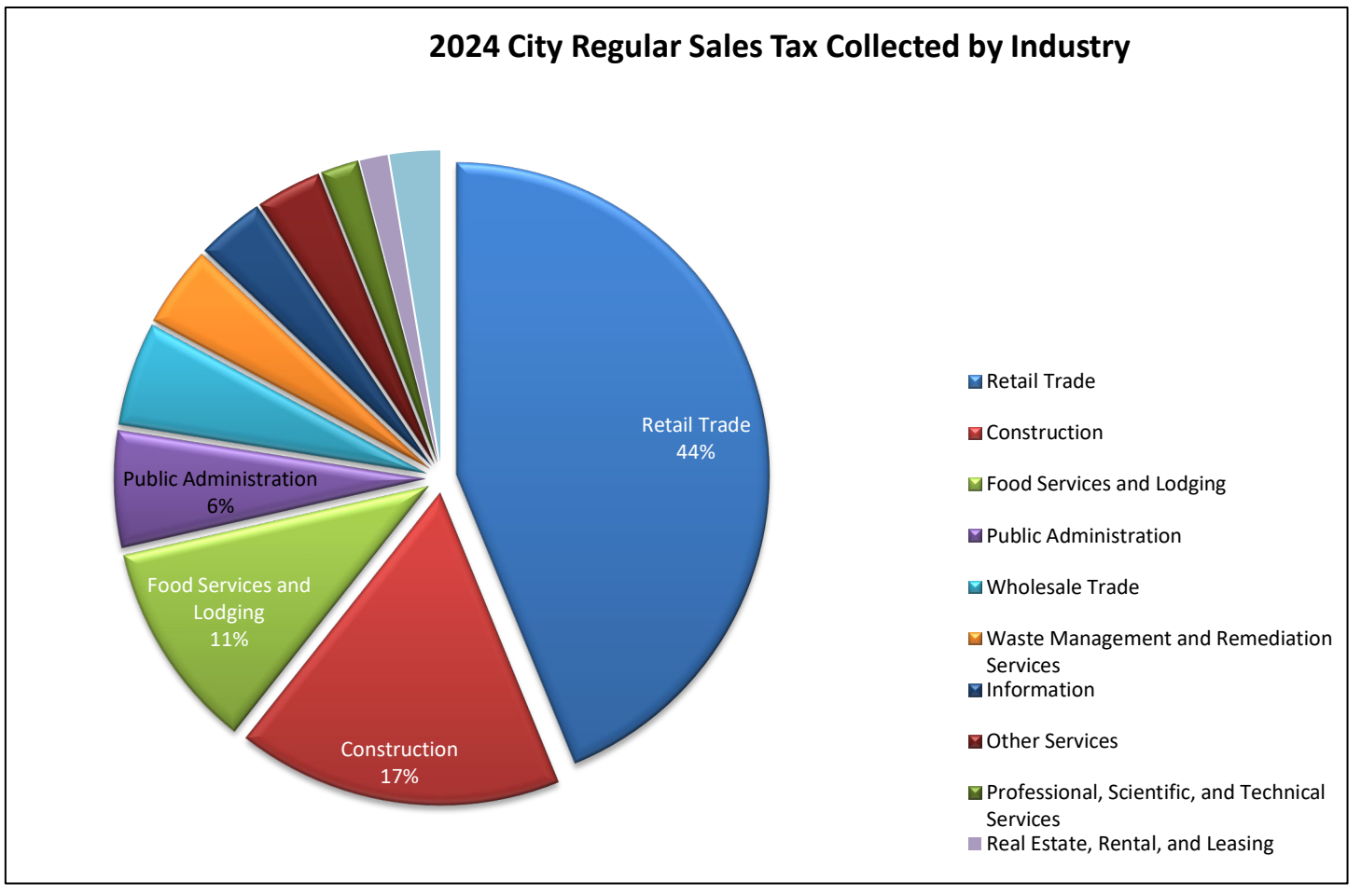
CITY OF BATTLE GROUND

Schedule 10

City Regular Sales Tax Collected by Industry

Current Year and Nine Years Ago*

		2024			2016*		
Industry	Sector	Taxes Collected	Rank	Percentage of Total Sale Taxes Collected	Taxes Collected	Rank	Percentage of Total Sale Taxes Collected
Retail Trade	44-45	$ 2,454,762	1	43.81%	$ 1,537,133	1	42.45%
Construction	23	943,604	2	16.84%	663,276	2	18.32%
Food Services and Lodging	72	604,926	3	10.80%	459,178	3	12.68%
Public Administration	92	338,114	4	6.03%	199,187	4	5.50%
Wholesale Trade	42	300,506	5	5.36%	118,204	7	3.26%
Waste Management and Remediation Services	56	236,744	6	4.23%	48,438	9	1.34%
Information	51	196,573	7	3.51%	155,427	5	4.29%
Other Services	81	190,357	8	3.40%	118,998	6	3.29%
Professional, Scientific, and Technical Services	54	110,279	9	1.97%	39,827	10	1.10%
Real Estate, Rental, and Leasing	53	80,783	10	1.44%	50,481	8	1.39%
All Other Industries	all other	146,120		2.61%	230,915		6.38%
Total Sales Tax		5,602,768		100.00%	3,621,063		100.00%



Source: Department of Revenue by NACIS for City's regular sales tax .85%

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DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the city's current level of outstanding debt and the city's ability to issue additional debt in the future.

Schedule 11 - Ratios of Outstanding Debt by Type
Schedule 12 - Ratios of General Bonded Debt Outstanding
Schedule 13 - Direct and Overlapping Governmental Activities Debt
Schedule 14 - Legal Debt Margin Information
Schedule 15 - Pledged-Revenue Coverage

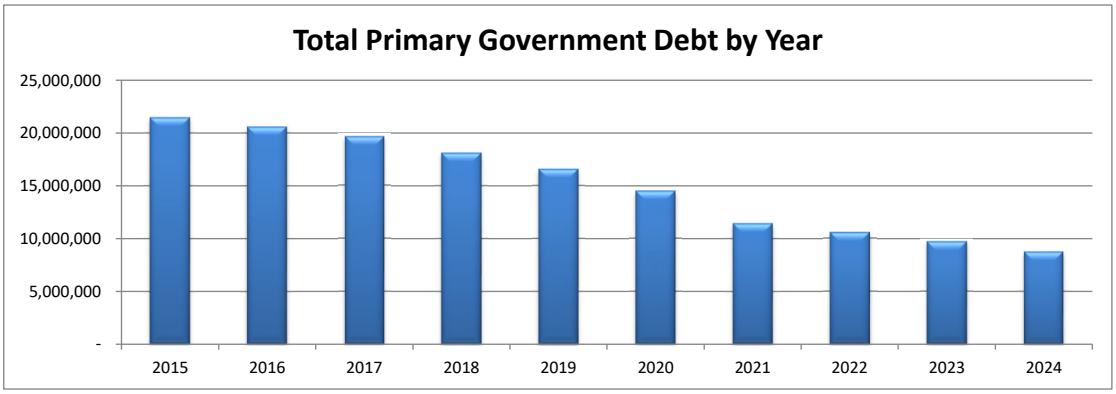
CITY OF BATTLE GROUND

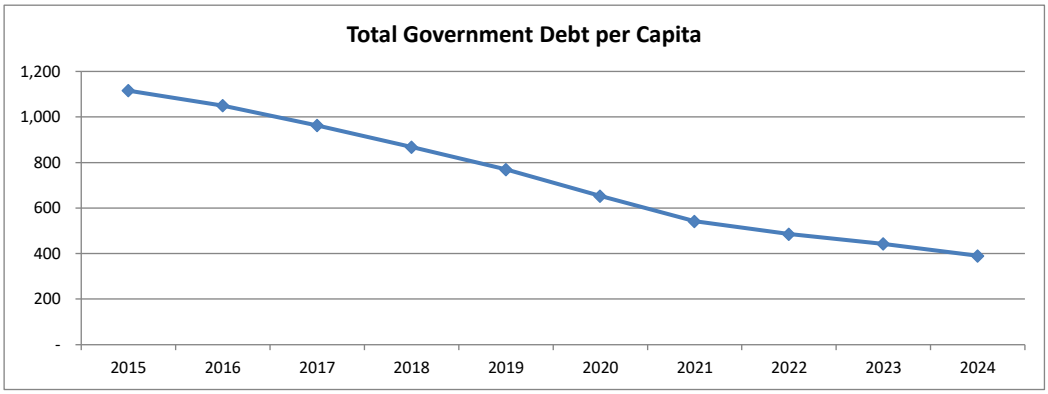
Schedule 11

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

	Governmental Activities				Business-Type Activities							
Fiscal Year	General Obligation Bonds	Public Works Trust Fund Loans	Leases	SBITA	Revenue Bonds	Public Works Trust Fund Loans	Leases	SBITA	Total Primary Government	Percentage of Personal Income	Population	Per Capita
2015	10,485,000	800,000	579,894	-	9,352,015	269,992	-	-	21,486,901	4.00%	19,250	1,116
2016	9,856,108	700,000	673,008	-	9,178,450	215,994	-	-	20,623,560	3.76%	19,640	1,050
2017	9,090,379	600,000	809,865	-	8,949,221	161,996		-	19,611,461	3.43%	20,370	963
2018	8,324,809	500,000	500,204	-	8,706,830	107,997	-	-	18,139,840	3.10%	20,890	868
2019	7,381,028	400,000	285,274	-	8,450,686	53,999	-	-	16,570,987	2.75%	21,520	770
2020	5,867,247	300,000	144,139	-	8,180,178	-	-	-	14,491,564	1.16%	22,180	653
2021	3,365,000	200,000	-	-	7,894,669	-	-	-	11,459,669	0.81%	21,160	542
2022	3,040,000	100,000	38,647	-	7,391,541	-	-	-	10,570,188	0.77%	21,780	485
2023	2,705,000	-	47,617	28,389	6,866,329	-	-	48,346	9,695,681	0.70%	21,910	443
2024	2,360,000	-	34,198	17,104	6,317,904	-	-	32,658	8,761,864	0.56%	22,470	390





Source: Personal income data is from the State of Washington Office of Financial Management

Note: See Schedule 16 for personal income and population data

Details regarding the city's outstanding debt can be found in the notes to the financial statements

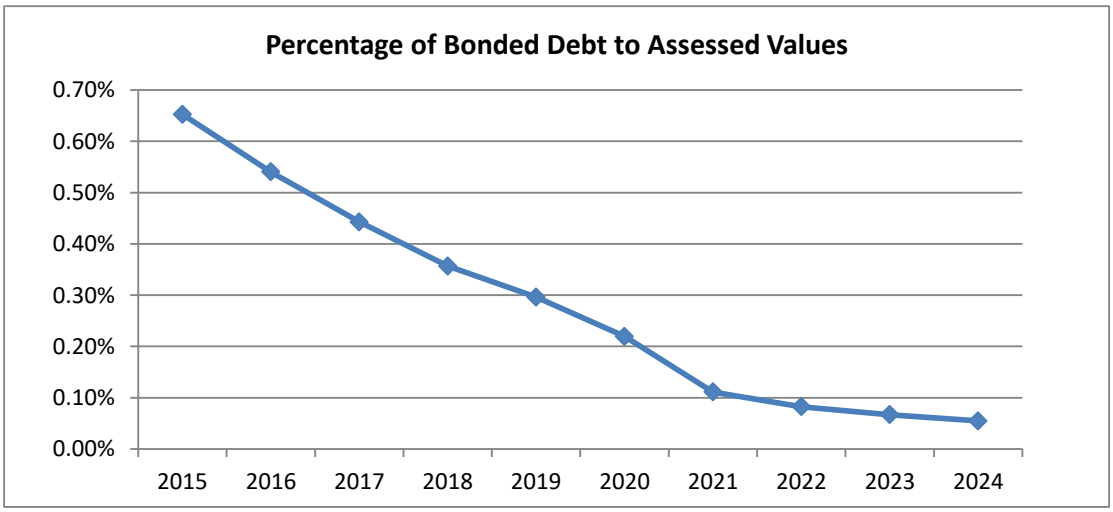
CITY OF BATTLE GROUND

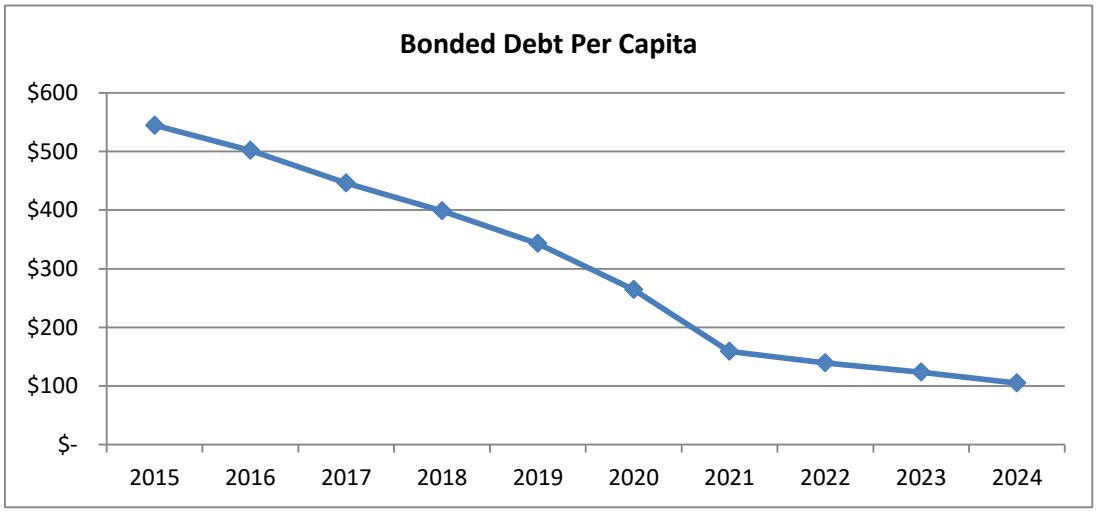
Schedule 12

Ratios of General Obligation Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonded Debt	Assessed Valuation	Percentage of Bonded Debt to Assessed Values	Population	Per Capita
2015	10,485,000	1,606,931,280	0.65%	19,250	545
2016	9,856,108	1,824,114,773	0.54%	19,640	502
2017	9,090,379	2,033,273,795	0.44%	20,370	446
2018	8,324,809	2,313,732,400	0.36%	20,890	399
2019	7,381,028	2,473,570,612	0.30%	21,520	343
2020	5,867,247	2,675,091,458	0.22%	22,180	265
2021	3,365,000	3,024,694,829	0.11%	21,160	159
2022	3,040,000	3,682,560,108	0.08%	21,780	140
2023	2,705,000	4,051,531,743	0.07%	21,910	123
2024	2,360,000	4,303,409,422	0.05%	22,470	105





Source: Personal income data is from the State of Washington Office of Financial Management

Note: See notes to the financial statements for details of general obligation bonds

CITY OF BATTLE GROUND

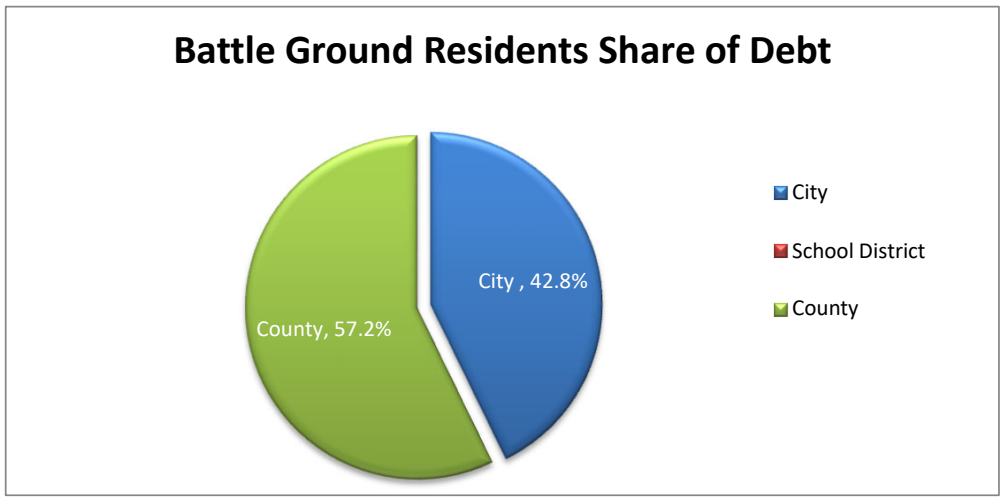
Schedule 13

Direct and Overlapping Governmental Activities Debt

Government Unit	Debt Outstanding	Percentage Applicable to City Residents [1]	Amount Applicable to City Residents
Direct:			
City of Battle Ground			
General obligation debt	$ 2,360,000		
Leases	34,199		
SBITA	17,104		
Total Direct	$ 2,411,303	100.00%	$ 2,411,303
Overlapping: (GO debt repaid with property taxes)			
Battle Ground School District	-	23.35%	-
Clark County	78,833,366	4.09%	3,225,796
Total Overlapping	$ 78,833,366		$ 3,225,796
Total direct and overlapping debt	$ 81,244,669		$ 5,637,099

Property Valuation (2024 Assessment for 2025 Tax Collections)

City Assessed Valuation	$ 4,303,409,422
School Assessed Valuation	$ 18,431,308,580
County Assessed Valuation	$ 105,168,548,847



Source: Clark County Treasurer and Clark County Assessor

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the potion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Battle Ground.

(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF BATTLE GROUND
Schedule 14
Legal Debt Margin Information
Last Ten Fiscal Years

Legal General Debt Margin Calculation

Assessed value (2024 assessment for 2025 revenue)		$ 4,303,409,422
Debt limit:		
General purpose debt limit without a vote (1.5%)		64,551,141
General purpose debt limit with a vote (1.0%)		43,034,094
Utility purpose debt limit with a vote (2.5%)		107,585,236
Open space, park, capital facilities debt limit with a vote (2.5%)		107,585,236
Total debt limit		$ 322,755,707
Debt applicable to limit:		
General purpose debt limit without a vote (1.5%)	2,360,000	
General purpose debt limit with a vote (1.0%)	-	
Utility purpose debt limit with a vote (2.5%)	-	
Open space, park, capital facilities debt limit with a vote (2.5%)	-	
Less: assets available for repayment of debt	-	
Total debt applicable to limit		2,360,000
Legal debt margin		$ 320,395,707

	2015	2016	2017	2018	2019
Assessed Valuation	$ 1,606,931,280	$ 1,824,114,773	$ 2,033,273,795	$ 2,313,732,400	$ 2,473,570,612
General purpose debt limit (1.5%)	24,103,969	27,361,722	30,499,107	34,705,986	37,103,559
Total net debt applicable to limit	10,485,000	9,755,000	9,005,000	8,255,000	7,325,000
Available non-voted debt capacity	$ 13,618,969	$ 17,606,722	$ 21,494,107	$ 26,450,986	$ 29,778,559
Total net debt applicable to the limit as a percentage of debt limit	43.50%	35.65%	29.53%	23.79%	19.74%

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CITY OF BATTLE GROUND

Schedule 14

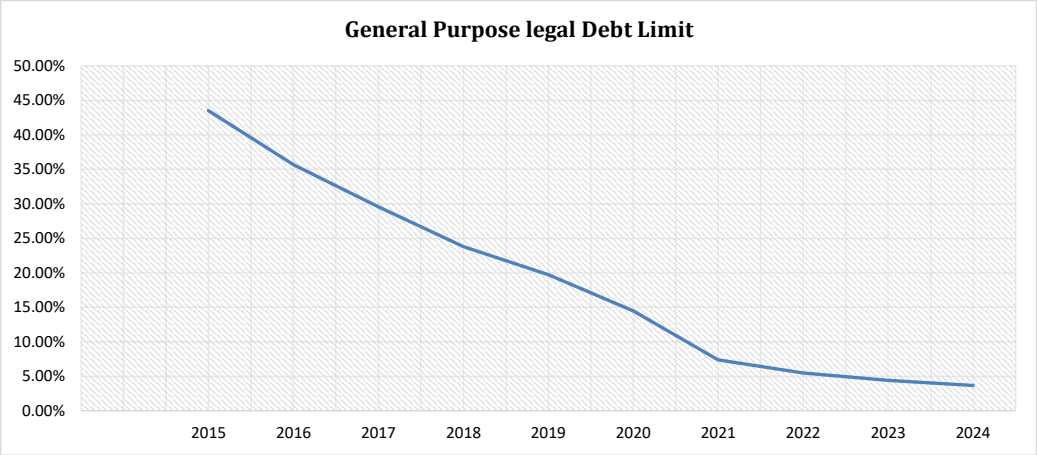
Legal Debt Margin Information

Last Ten Fiscal Years

	2020	2021	2022	2023	2024
Assessed Valuation	$ 2,675,091,458	$ 3,024,694,829	$ 3,682,560,108	$ 4,051,531,743	$ 4,303,409,422
General purpose debt limit (1.5%)	40,126,372	45,370,422	55,238,402	60,772,976	64,551,141
Total net debt applicable to limit	5,825,000	3,365,000	3,040,000	2,705,000	2,360,000
Available non-voted debt capacity	$ 34,301,372	$ 42,005,422	$ 52,198,402	$ 58,067,976	$ 62,191,141
Total net debt applicable to the limit as a percentage of debt limit	14.52%	7.42%	5.50%	4.45%	3.66%

Source: Assessed valuation data is obtained from Clark County Department of Assessment and GIS

Note: The legal general purpose debt limit of 2.5% is authorized by RCW 39.36.020. The city only has nonvoted general purpose debt.



CITY OF BATTLE GROUND

Schedule 15

Pledged-Revenue Coverage

Last Ten Fiscal Years

Water Fund

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service			Required Coverage*
				Principal	Interest	Total	
2015	3,031,056	1,757,398	1,273,658	-	-	-	-
2016	2,561,838	1,818,125	743,713	72,361	136,330	208,691	260,864
2017	2,802,676	2,032,457	770,219	124,967	86,593	211,560	264,450
2018	3,013,444	2,063,318	950,126	134,978	82,398	217,376	271,720
2019	3,112,017	1,994,692	1,117,325	145,484	77,870	223,354	279,193
2020	3,046,262	2,452,038	591,465	156,503	72,995	229,498	286,873
2021	3,229,594	2,798,406	431,188	168,057	67,753	235,810	294,763
2022	3,425,814	3,188,205	237,609	180,166	62,128	242,294	302,868
2023	3,700,945	3,668,098	32,847	192,982	55,974	248,956	311,195
2024	3,797,368	3,465,625	331,743	206,153	49,649	255,802	319,753

Ordinance 2015-05 authorized the issuance of a water revenue bond of the city in the principal amount of $2,774,409 to finance certain improvements to the water utility system of the city. Net revenue of the water system in each fiscal year shall be at least equal to 125% of the amounts required to be paid for scheduled principal and interest debt service over the life of the bond. Revenue of the system means all earnings and revenues received by the city from the maintenance and operation of the system and connection and capital improvement charges collected for the purpose of defraying the cost of capital facilities of the system, except grants, sale of system property, city taxes, and contributed capital. Operation and maintenance expense include expenses incurred for operating, maintaining, and repairing the system, but does not include payment for debt service, depreciation, taxes, levies, or capital additions or replacements.

* 125% of Total Debt Service - Net revenue, over life of the bond, exceeds required coverage

Sewer Fund

Fiscal Year	Operating Revenues	Less: Operating Expenses	Net Revenue Available	Debt Service [1]			Reserve Requirement
				Principal	Interest	Total	
2015	5,414,619	3,776,920	1,637,699	152,233	202,784	355,017	297,778
2016	3,717,301	3,319,511	397,790	155,201	199,275	354,476	297,778
2017	4,002,428	3,774,029	228,399	158,260	195,676	353,936	297,778
2018	4,303,363	4,132,275	171,088	161,412	191,985	353,397	297,778
2019	4,715,056	4,461,218	253,838	164,659	188,198	352,857	297,778
2020	5,034,060	4,541,437	492,623	168,004	184,313	352,317	297,778
2021	5,207,512	4,694,158	513,354	117,450	180,328	297,778	297,778
2022	5,621,768	4,864,304	757,464	122,962	174,816	297,778	297,778
2023	6,029,387	5,741,900	287,487	132,231	165,547	297,778	297,778
2024	6,598,399	6,031,779	566,620	142,273	155,505	297,778	297,778

(1) Ordinance 2011-16 authorized the issuance of a sewer revenue bond in the principal amount of $6,909,000 to finance the decommissioning of a sewer lagoon. A bond reserve account secures the payment of one annual installment of the principal and interest. The annual reserve requirement is $297,778. Operation and maintenance expense include expenses incurred for operating, maintaining, and repairing the system, but does not include depreciation, debt service payments, or capital additions to the system.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

Schedule 16 - Demographic and Economic Statistics
Schedule 17 - Principal Employers
Schedule 18 - Property Value and Construction

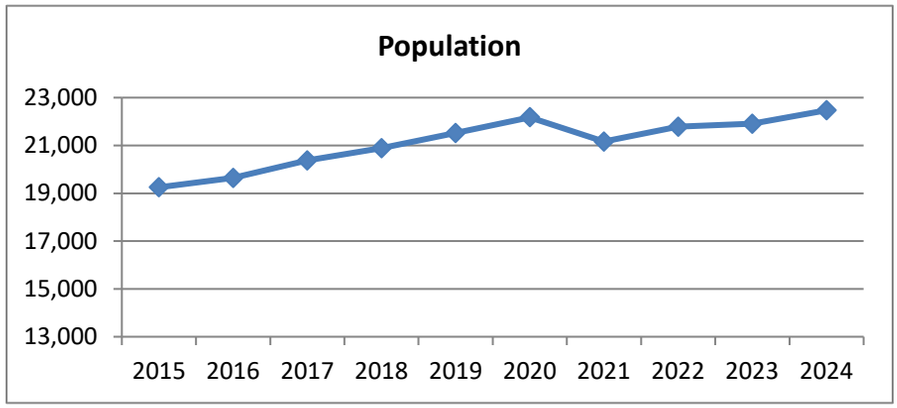
CITY OF BATTLE GROUND

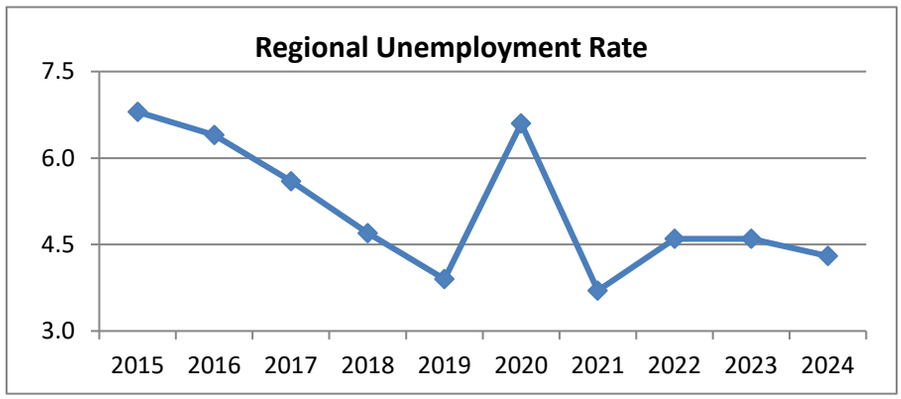
Schedule 16

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population [1]	Personal Income [2]	Per Capita Personal Income [3]	School Enrollment [4]	Regional Unemployment Rate % [5]
2015	19,250	867,597,500	45,070	13,506	6.8
2016	19,640	924,611,920	47,078	13,452	6.4
2017	20,370	997,335,570	48,961	13,120	5.6
2018	20,890	1,059,666,140	50,726	13,209	4.7
2019	21,520	1,173,743,840	54,542	13,423	3.9
2020	22,180	1,250,974,180	56,401	12,816	6.6
2021	21,160	1,420,386,160	67,126	11,719	3.7
2022	21,780	1,381,440,060	63,427	11,648	4.6
2023	21,910	1,435,587,020	65,522	12,170	4.6
2024	22,470	1,557,575,460	69,318	12,315	4.3





Source: (1) Population - State of Washington Office of Financial Management
(2) Personal income calculated by multiplying population by per capita income
(3) Per capita income listed for Clark County, WA - U.S. Dept of Commerce - Bureau of Economic Anaylsis. Estimate
(4) Battle Ground School District - enrollment for school year 2023-2024
(5) Washington State Employment Security Department - Clark County

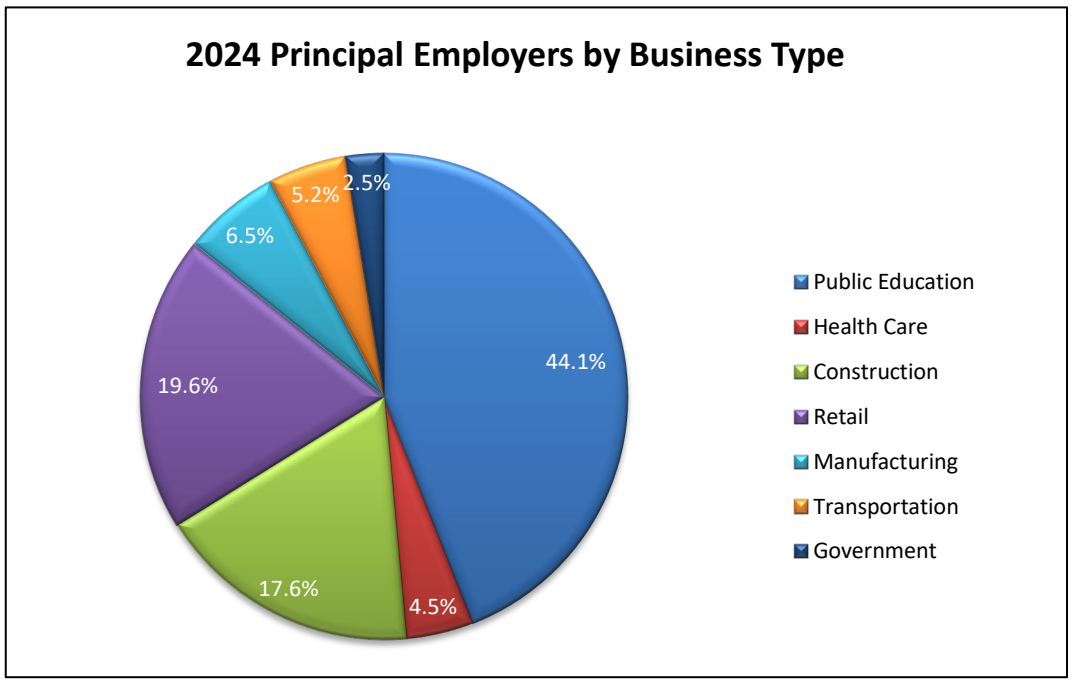
CITY OF BATTLE GROUND

Schedule 17

Principal Employers,

Last Ten Fiscal Years

		2024			2015	
Employer	**Type of Business**	**Employees**	**Rank**	**% of Labor Force**	**Employees**	**Rank**
Battle Ground School District	Public Education	1,701	1	44.1%	732	1
Tapani Underground Inc.	Construction	680	2	17.6%	350	2
Walmart	Retail	272	3	7.0%	172	5
JRT Mechanical	Manufacturing	250	4		115	8
Fred Meyer	Retail	247	5	6.4%	235	3
Student First	Transportation	201	6	5.2%	200	4
Vancouver Clinic	Healthcare	173	7	4.5%	136	7
Albertson's	Retail	134	8	3.5%		
Safeway	Retail	104	9	2.7%	87	9
City of Battle Ground	Government	98	10	2.5%	76	10
Anderson Plastics/Anderson Dairy	Manufacturing			0.0%	137	6
	Total	3,860			2,240	



Source: City of Battle Ground Community Development Department

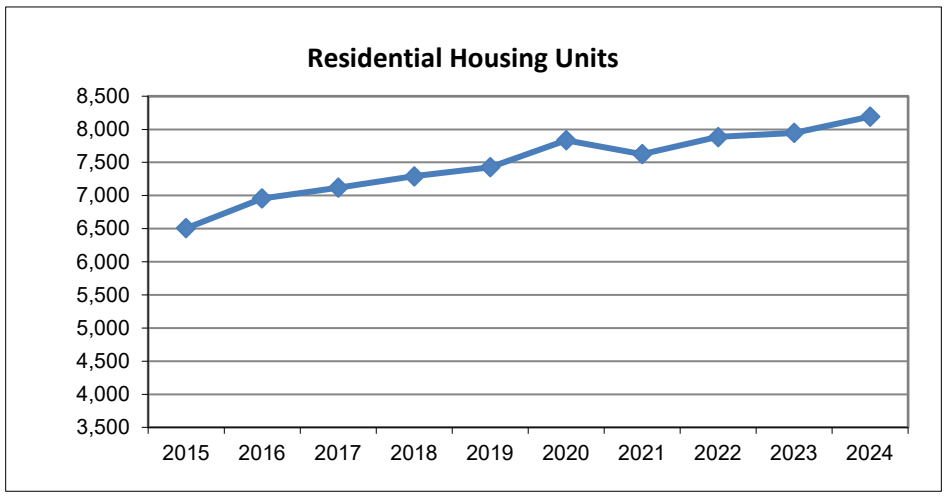
CITY OF BATTLE GROUND

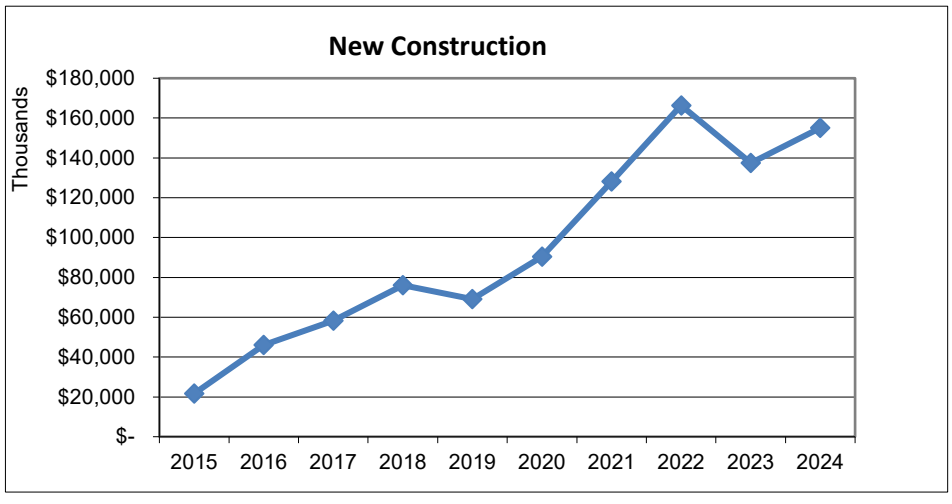
Schedule 18

Property Value and Construction

Last Ten Fiscal Years

Year	Population	Residential Housing Units[2]	New Construction[1]	Assessed Property Value[1]	Percentage of New Construction/ Total Assess Value
2015	19,250	6,506	21,652,612	1,606,931,280	1.3%
2016	19,640	6,956	46,026,812	1,824,114,773	2.5%
2017	20,370	7,118	58,314,081	2,033,273,795	2.9%
2018	20,890	7,290	75,998,997	2,313,732,400	3.3%
2019	21,520	7,427	69,108,504	2,473,570,612	2.8%
2020	22,180	7,834	90,426,090	2,675,091,458	3.4%
2021	21,160	7,625	128,116,289	3,024,694,829	4.2%
2022	21,780	7,885	166,353,643	3,682,560,108	4.5%
2023	21,910	7,945	137,472,245	4,051,531,743	3.4%
2024	22,470	8,192	155,013,995	4,303,409,422	3.6%





Source: (1) Clark County Department of Assessment and GIS

(2) City of Battle Ground Planning Department

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OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Schedule 19 - Full-time Equivalent City Government Employees
Schedule 20 - Operating Indicators by Function/Program
Schedule 21 - Capital Asset Statistics by Function/Program

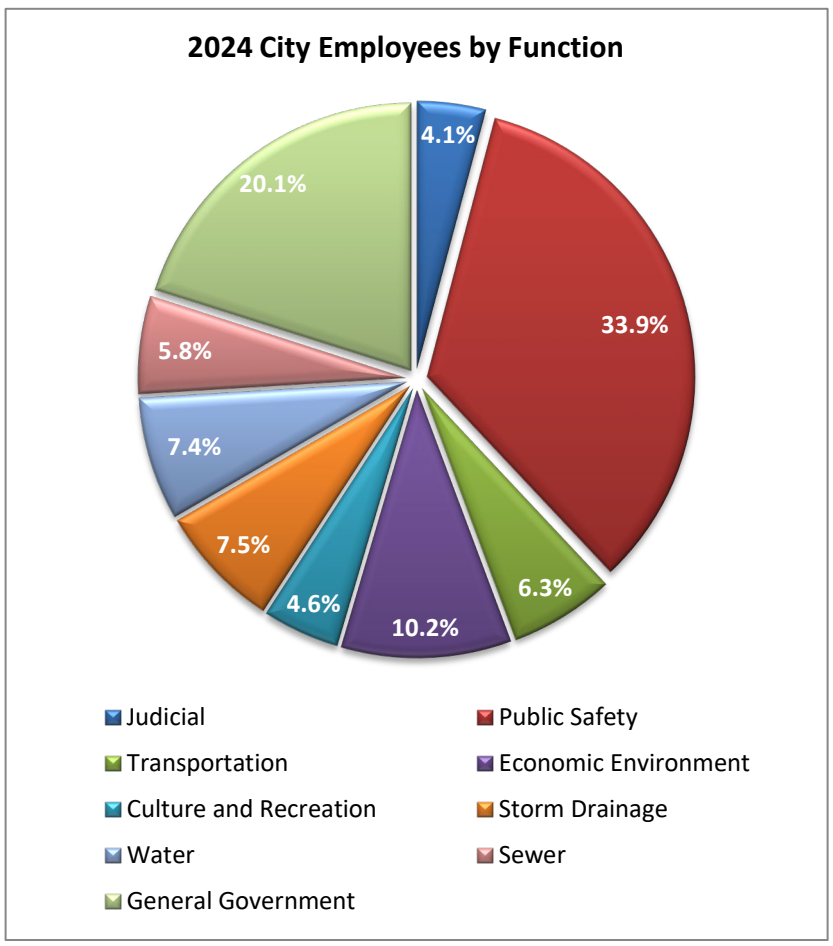
CITY OF BATTLE GROUND

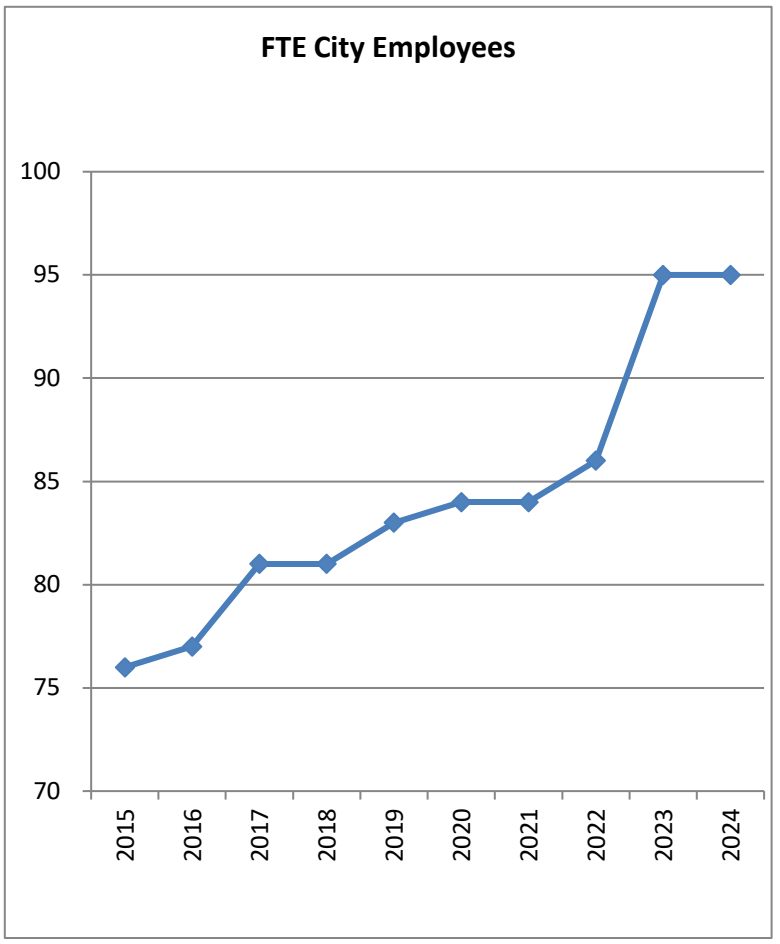
Table 19

Full-time Equivalent (FTE) City Government Employees by Function/Program

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
General Government	13.00	13.00	18.88	18.84	20.16	19.54	19.47	17.24	19.20	19.71
Judicial	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public Safety	27.00	27.00	28.00	28.00	28.00	29.07	29.07	30.27	33.20	33.25
Transportation	7.00	7.00	4.09	3.55	3.48	3.68	3.98	4.63	5.80	6.20
Economic Environment	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00	9.00	10.00
Culture and Recreation	4.50	3.50	3.42	3.35	3.27	3.37	3.35	4.48	4.24	4.55
Utilities/Public Works										
Storm Drainage	3.50	4.50	5.11	5.25	5.61	5.92	5.76	6.65	6.91	7.32
Water	5.00	6.00	5.55	5.78	6.03	5.48	5.56	6.15	6.97	7.25
Sewer	4.00	4.00	3.95	4.23	4.45	4.94	4.81	3.58	5.68	5.72
Totals	76.00	77.00	81.00	81.00	83.00	84.00	84.00	86.00	95.00	98.00





Source: Department of Human Resources City of Battle Ground

Note: Information presented reflects active, permanent, full-time equivalent employees as of December 31

CITY OF BATTLE GROUND

Schedule 20

Operating Indictors by Function/Program

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
General Government					
Population	19,250	19,640	20,370	20,890	21,520
Housing Units	6,506	6,956	7,118	7,290	7,427
Judicial					
Total number of cases filed	3,303	3,312	3,273	3,153	2,784
Total hearings scheduled	7,819	8,780	9,367	10,415	11,750
Total warrants issued	457	420	406	667	863
Public Safety (Law Enforcement)					
Citations issued	2,615	2,621	2,670	2,242	2,218
Reports written	2,524	2,456	2,706	2,641	2,680
Number of calls for service	14,239	14,660	14,898	14,321	16,613
Arrests	1,467	1,458	1,334	916	923
Transportation					
Right of way (hours)	50	96	113	110	262
Hours street sweeping	1,026	1,036	1,011	1,025	700
Curb painting (hours)	50	73	30	42	100
Crack sealing (hours)	200	559	338	404	14
Culture and Recreation					
Hours park mowing	900	632	582	637	707
Trash pick-up	800	1,370	1,555	932	982
Weed spraying	20	32	7	16	56
Water					
Number of water accounts	5,534	5,622	5,727	5,805	6,113
Average daily production (gallons)	1,486,384	1,486,788	1,563,421	1,636,996	1,545,000
Storm Drainage					
Number of drainage accounts	5,891	6,004	6,186	6,294	6,652
Ditch maintenance (hours)	2,700	1,882	249	1,758	1,848
Clean catch basins (hours)	312	624	546	450	176
Sewer					
Number of sewer accounts	5,650	5,727	5,892	6,145	6,356
Clean sewer lines (feet)	5,552	13,720	46,500	9,300	5,100
Treatment capacity (MG)	3	3	3	3	3

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CITY OF BATTLE GROUND

Schedule 20

Operating Indictors by Function/Program

Last Ten Fiscal Years

Function/Program	2020	2021	2022	2023	2024
General Government					
Population	20,742	21,160	21,780	21,910	22,470
Housing Units	7,449	7,625	7,885	7,945	8,192
Judicial					
Total number of cases filed	1,536	1,723	2,043	1,805	3,216
Total hearings scheduled	7,506	7,595	7,485	6,592	9,582
Total warrants issued	546	547	675	617	734
Public Safety (Law Enforcement)					
Citations issued	822	1,101	1,571	1,285	2,209
Reports written	1,782	1,891	2,100	1,999	2,098
Number of calls for service	12,348	11,782	12,791	14,831	17,835
Arrests	501	467	544	405	596
Transportation					
Right of way	244	67	918	918	408
Hours street sweeping	950	1,576	1,626	1,626	1,208
Curb painting (hours)	18	12	188	188	134
Crack sealing (hours)	-	736	160	160	-
Culture and Recreation					
Hours park mowing	884	800	1,068	1,164	896
Trash pick-up	874	644	800	800	1,040
Weed spraying	60	148	64	64	156
Water					
Number of water accounts	6,284	6,496	6,653	6,758	6,940
Average daily production (gallons)	1,592,324	1,727,854	1,717,232	1,784,203	1,719,190
Storm Drainage					
Number of drainage accounts	6,830	7,193	7,420	7,600	7,837
Ditch maintenance (hours)	2,220	1,856	56	56	60
Clean catch basins (hours)	176	137	101	136	212
Sewer					
Number of sewer accounts	6,534	6,896	7,122	7,300	7,543
Clean sewer lines (feet)	5,100	900	2,600	59,806	122,152
Treatment capacity (MG)	3	3	3	3	3

Source: City of Battle Ground - various departments

Note: Indicators are not available for the general government function.

CITY OF BATTLE GROUND

Schedule 21

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019
General government					
Square feet administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	23	22	22	20	20
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	2	2	2	2	2
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	81	81	76	81	81
Number of street lights	2,027	2,046	2,156	2,318	2,318
Culture and Recreation					
Acreage	139	140	142	142	142
Park facilities	6	7	8	8	8
Water					
Supply and distribution mains (miles)	73	73	75	79	79
Number of hydrants	712	716	730	751	751
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	32	32	34	37	37
Storm water facilities (acres)	39	39	42	49	49
Wetlands/open space (acres)	85	85	85	88	88
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	61	61	63	66	66
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051

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CITY OF BATTLE GROUND

Schedule 21

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	2020	2021	2022	2023	2024
General government					
Square feet of administrative space	31,110	31,110	31,110	31,110	31,110
Public Safety					
Police					
Police vehicles	20	20	20	22	22
Square feet of administrative space	18,277	18,277	18,277	18,277	18,277
Physical Environment					
Fire trucks	-	-	-	-	-
Square feet for fire facilities	9,029	9,029	9,029	9,029	9,029
Transportation					
Miles of road	81	81	84	85	85
Number of street lights	2,318	2,318	2,318	2,486	2,486
Culture and Recreation					
Acreage	142	142	142	142	142
Park facilities	8	8	8	8	8
Water					
Supply and distribution mains (miles)	79	79	80	82	82
Number of hydrants	751	751	762	786	786
Storage	6	6	6	6	6
Wells	7	7	7	7	7
Storm Drainage					
Miles of storm drains (miles)	37	37	40	42	42
Storm water facilities (acres)	49	49	51	51	51
Wetlands/open space (acres)	88	88	88	88	88
Sewer					
Capacity (MGD)	3	3	3	3	3
Miles of sewage mains	66	66	69	70	70
Square feet of administrative space	4,051	4,051	4,051	4,051	4,051

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

City of Battle Ground
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures: From Pass-Through Awards	Expenditures: From Direct Awards	Expenditures: Total	Passed through to Subrecipients	Note
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607	NA	-	4,339	4,339	-	1,2
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710	2020UMX0267	-	24,673	24,673	-	1,2
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-23-GG-01660-TECP	-	394,551	394,551	281,614	1,2
			Total ALN 16.710:	**-**	**419,224**	**419,224**	281,614	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-8411	157	-	157	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-9681	177,094	-	177,094	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10017	186,345	-	186,345	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA10020	209,238	-	209,238	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	LA-10325	205,473	-	205,473	-	1,2
			Total ALN 20.205:	**778,307**	**-**	**778,307**	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	PT24-01	35,052	-	35,052	-	1,2
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Traffic Safety Commission)	State and Community Highway Safety	20.600	PT24-04	435	-	435	-	1,2
			Total Highway Safety Cluster:	**35,487**	**-**	**35,487**	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	22-56104-012	-	2,093,136	2,093,136	-	1,2
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	22-96515-020	1,087,364	-	1,087,364	-	1,2
			Total ALN 21.027:	**1,087,364**	**2,093,136**	**3,180,500**	-	
CENTERS FOR DISEASE CONTROL AND PREVENTION, HEALTH AND HUMAN SERVICES, DEPARTMENT OF	Drug-Free Communities Support Program Grants	93.276	E6802P1	-	134,641	134,641	-	1,2
			Total Federal Awards Expended:	**1,901,158**	**2,651,340**	**4,552,498**	**281,614**	

The accompanying notes are an integral part of this schedule.

CITY OF BATTLE GROUND

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2024

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City of Battle Ground's fund financial statements. The City uses the modified accrual basis of accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of Battle Ground's portion, are more than shown. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – FEDERAL DE MINIMIS INDIRECT COST RATE

The city has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance nor any other indirect cost rate. Expenditures reported are direct expenses to the program.